PRESS CONFERENCES

of

THE PRESIDENT

1936 -- Jan. 1 to June 30

Henry M. Kannee,
Official Reporter.

CONFIDENTIAL
Press Conference #262,
Executive Offices of the White House,
January 3, 1936, 10.55 A.M.

THE PRESIDENT: Good morning. You meet at twelve o'clock, I hear?

Q (Mr. Young) Yes.

THE PRESIDENT: The Senate convenes?

Q (Mr. Young) Yes, sir. (Laughter)

Q (Mr. Storm) Deliver No. 11-B today.

Q (Mr. Young) Party loyalty. (Laughter)

Q (Mr. Storm) Looks like Gus (Mr. Gennerich) is all ready for Hialeah, Mr. President.

THE PRESIDENT: Yes, raring to go.

MR. DONALDSON: All in.

THE PRESIDENT: The Public Printer tells me he will have the Budget Message printed by three o'clock tomorrow afternoon and they give it out at the Treasury at that time. I think, therefore, it would save everybody a good deal of time and trouble if we would have our Conference tomorrow afternoon at four o'clock instead of Sunday, which would give you a little more time. So we will make it in the Oval Room upstairs at four o'clock tomorrow afternoon, for those who are concerned with the story. The reason we want to keep it down is because there is not an awful lot of room.

Q Some of the reporters who cover the White House gave an outline of your Message today.

THE PRESIDENT: I saw that. (Laughing)

Q Do you want to expand on the summary?

THE PRESIDENT: No.

Q When will your Annual Message be ready?

THE PRESIDENT: The Annual Message will be ready this afternoon, roughly at five o'clock. It is not finished yet.

Q Couldn't we get an estimate on about how long it will run so that the papers may make arrangements?

THE PRESIDENT: Oh, about forty minutes.

MR. EARLY: Approximately.

Q What did you say, sir?

THE PRESIDENT: About forty minutes.

MR. EARLY: And about 4,000 words.

THE PRESIDENT: Yes; be a little less than that.

Q Have you heard again from Governor Pinchot on his charges about the relief situation in Pennsylvania?

THE PRESIDENT: No.

Q He has not replied to your personal reply?

THE PRESIDENT: Unless it is in this morning's mail. It was not here last night.

Q Do you appreciate the fact that this is the last Press Conference with one of our popular members, Mr. Roddan?

THE PRESIDENT: I know that.

Q (Mr. Roddan) Thank you.

THE PRESIDENT: However, he will still be coming over to see us, so it is all right.

Q Mr. President, have you a formal calling list today, or are you going to spend all your time finishing up your Message?

THE PRESIDENT: A Cabinet meeting at two o'clock, as usual. I will be working on the Message until Cabinet meeting at two o'clock, and that is about all. I do not think I have any more appointments.

Q Did you and Senator Borah get a chance to talk politics?

THE PRESIDENT: I can only tell you off the record. If you want it off the record, I will tell you.

Q Sure.

THE PRESIDENT: We made an agreement. We talked about the need of taking holidays occasionally and the agreement is that if he goes to the White House, he will take me on a cruise with him, and if I stay in the White House, I will take him on a cruise with me. Then Borah got hold of Mac (Mr. McIntyre) and asked him to see that this goes through, and Mac said, "I will do it on one condition: if you will take me with you too."

Q Which means you expect to be renominated? (Laughter)

Q Does that apply to other candidates?

THE PRESIDENT: No, that is a little personal compact.

Q The SEQUOIA would not be big enough for all of you. (Laughter)

Q That is off the record?

THE PRESIDENT: Yes, sir; off the record.

Q Thank you, sir.

CONFIDENTIAL
Press Conference #263, - Budget,
Executive Offices of the White House,
January 4, 1936, 4.05 P.M.

(Secretary Morgenthau, Acting Director Bell and other Treasury Department officials were present at this Conference. Approximately 125 newspapermen attended this Conference.)

THE PRESIDENT: Steve (Mr. Early) suggests that because there are probably a number present who were not here last year or the year before that I should again explain that this is a highly confidential Conference, and that nothing is to leak until Monday at whatever time it (the Message) goes up. I suppose it will be up there by the opening of the House and Senate at twelve o'clock, and will then be presented by the Clerk and subject to release.

This is just a family party. I think we should go through, in an orderly way, the first few pages that describe the high points and then, if anybody wants to ask any questions, Dan Bell is here and will be able to answer them. I am a little bit like the professor who told his class, "I know very little about this but you know less." From personal experience I know that 70 per cent of you, at the maximum, know the difference between a dollar and a dime, so I might as well go through with it.

It starts off with an interesting sentence: (Reading)

"No mortal --"

not even a member of the Press --

(The President read as follows from his Message transmitting the Budget:)

> "--is permitted unfailingly to predict the future. This is particularly true of estimates which relate to the money values of property and services in a world of nations torn by dissension, by violent price fluctuations, and by forebodings of the future.

"It is, therefore, a cause for congratulation within our own Nation to realize that a consistent, broad national policy, adopted nearly three years ago by the Congress and the President, has thus far moved steadily, effectively, and successfully toward its objective.

"In March 1933 in spite of substantial increases in tax rates during the preceding administration --"

I think there were four -- (Reading)

"-- Federal tax receipts had fallen to such a low level that even normal expenses of Government could not be carried on without creating a mounting deficit. In addition to normal expenses the problem of millions of starving unemployed called for a relief program which obviously would greatly increase that deficit.

"The national policy which we then adopted sought to stop the downward economic spiral by taking simultaneous action along a dozen fronts. The chief objectives were: To make bank deposits secure --"

I need not read this. It covers things fairly well and the point made is that they were all interdependent.

(The following was omitted by the President:)

("--to save farms and homes from foreclosure, to start public works on a large scale, to encourage home building, to increase farm crop values, to give useful work instead of a dole to the needy unemployed, to reduce all interest rates, to increase foreign trade in both exports and imports, to extend Government credit to railroads and other privately owned activities, to reduce unsound and generally disastrous speculation, to eliminate starvation wages, to seek a higher level of values, and then to maintain those values.")

(The President continued reading as follows:)

"On the part of the Federal Government the many legislative acts creating the machinery for recovery were all predicated on two interdependent beliefs. First, --"

of course, this is obvious -- (Reading)

"-- the measures would immediately cause a great increase in the annual expenditures of the Government -- many of these expenditures, however, in the form of loans which would ultimately return to the Treasury. Second, as a result of the simultaneous attack on the many fronts I have indicated, the receipts of the Government would rise definitely and sharply during the following few years, while greatly increased expenditure for the purposes stated, coupled with rising values and the stopping of losses would, over a period of years, diminish the need for work relief and thereby reduce Federal expenditures."

In other words, the way I put it in my own mind in writing that was that essentially we had two lines very far apart, the top line, expenditures, and the bottom line, tax receipts, and those lines up to 1933 had been steadily getting further apart. They were so far apart that we had to consider the fact that the lower line of tax receipts was still going down, and the top line was going up. So we had that upper line to go up for a short time in the hope that the bottom line could be turned so that for a while, the first two years you might say, the two lines both went up and the gap remained fairly constant between the two lines.

Today, however, from the point of view of appropriations, we have that top line stopped; instead of continuing to go up, it is going to start to go down on appropriations. The bottom line is continuing to rise; therefore, for the first time after thirty-four months, we have the situation in hand because the two lines are beginning to close the gap between them. Now, a continuation of that means, of course, eventually the two lines will meet and cross and the annual receipts will be greater than the annual appropriations. (Reading)

> "The increase in revenues would ultimately meet and pass the declining cost of relief.
>
> "This policy adopted in the spring of 1933 has been confirmed in actual practice by the Treasury figures of 1934, of 1935, and by the estimates for the fiscal years of 1936 and 1937.
>
> "There is today no doubt of the fundamental soundness of the policy of 1933. If we proceed along the path we have followed and with the results attained up to the present time we shall continue our successful progress during the coming years.
>
> "Stated even more concisely, we can look forward today to a continued reduction of deficits, to increased tax receipts, and to declining expenditures for the needy unemployed. Let it be remembered that the major part of the increase in tax receipts anticipated in 1937 over 1936 from comparable sources is coming from old tax schedules. The only changes made last year in the tax schedule were, first, the elimination of the tax on checks and, secondly,

slight increases in taxes on large incomes, on large estates, and on large corporations and in capital stock and excess profits taxes. By the elimination of the tax on checks we lost forty million dollars in revenue and the slight increases on estates and on personal and corporate incomes will add only about 222 million dollars to Government receipts this coming year. I emphasize that the great bulk of increased Government income referred to above results from increased earning power and profits throughout the Nation and not from the new taxes imposed by the Revenue Act of 1935.

"Final success will depend, of course, on the strength of the efforts put forth by the employers of the United States greatly to increase the number of persons employed by them. The finances of the Government are in better condition than at any time in the past seven years. I say this because starting with the autumn of 1929 tax receipts began a steady and alarming decline while, at the same time, Government expenditures began a steady rise; today, tax receipts are continuing a steady climb which commenced in the summer of 1933, whereas Budget estimates for the next fiscal year will show a decreased need for appropriations.

"The credit of the Government is at its highest. The average of the business men of the Nation stand ready to do their share. It is to be hoped that motives and attacks which spring only from the desire for political or financial power on the part of a few will not retard the steady progress we are making.

"Our policy is succeeding. The figures prove it. Secure in the knowledge that steadily decreasing deficits will turn in time into steadily increasing surpluses, and that it is the deficit of today which is making possible the surplus of tomorrow, let us pursue the course that we have mapped.

"In my Budget message of January 1935 I said, 'I am, however, submitting to the Congress --'"

this is a year ago -- (Reading)

"'-- a Budget for the fiscal year 1936 which balances except for expenditures to give work to the unemployed. If this Budget receives approval of the Congress, the country will henceforth have the assurance that with the single exception of this item, every current expenditure of whatever nature will be fully covered by our estimates of current receipts. Such deficit as occurs will be due solely to this cause, and it may be expected to decline as rapidly as private industry is able to reemploy those who now are without work.'

"In looking at the revised estimates for the fiscal year 1936"--

that is not the ones made up last September but now, that is, last week -- (Reading)

"--I am more than pleased to find that we have not only accomplished what I said we would in my Budget Message of a year ago but that the results with respect to both expenditures and receipts have surpassed expectations.

"1. My Budget Message of January 1935 forecast that the expenditures for the fiscal year 1936 would be $8,520,000,000. Our most recent estimate shows that our expenditures will be $7,645,000,000., or $875,000,000. less than originally forecast.

"2. Receipts were estimated in January 1935 at $3,992,000,000. At the present time it appears that they will be $4,411,000,000., or an increase of $419,000,000.

"3. The Message of January 1935 forecast a gross deficit of $4,528,000,000., and the most recent figures show that the deficit will be $3,234,000,000., or a decrease of $1,294,000,000."

I estimated figures on the deficit for the fiscal year. (Reading)

"This great improvement of the fiscal outlook during this present year has been brought about through policies which the Congress and the President initiated in 1933 and which we have since maintained.

"Now let us look at the Budget for the fiscal year 1937:

"To run all the regular activities of the Government I will need a total of $5,069,000,000."

Now, you will see that the major change in the listing of the items this year has been to leave out from what we call emergency items, relief and recovery, in last year's Budget certain things which time has proved should be included as regular expenses of the Government as a matter of policy.

"These regular activities include interest on the public debt, --" well, that was in last year, too -- (Reading)

"--major public works, --"

which were not in last year, or only a part. For example, when you come down to look for the various items, you will find that the money for the Upper Mississippi Waterway last year came out of the $4,000,000,000. Is that right?

MR. BELL: Yes, sir.

THE PRESIDENT: This year, this $4,000,000,000. relief and recovery appropriation -- this year we are listing items of that kind in the regular Budget. (Reading)

"-- operations of the Civilian Conservation Corps, --"

of course I said that would be a permanent activity of the Government -- (Reading)

"-- and agricultural benefit payments,--"

for the same reason, that they are accomplishing an objective and will be a regular part of the activities of the Government unless the Congress takes different action. But they -- (Reading)

"-- but they do not include strictly work relief items."

And that is the only thing that the regular Budget figures of $5,000,000,000. do not include. (Reading)

"I expect to pay for these regular activities --"

of $5,069,000,000. -- (Reading)

"-- with estimated receipts of $5,654,000,000.,leaving an excess of receipts of $585,000,000."

In other words, on the regular running expenses of the Government, including interest on the public debt, we are $585,000,000. in the black. (Reading)

"Out of this $585,000,000. I will need $580,000,000. for debt retirement, --"

That is the definite reduction of the public debt, and so if that is taken out -- in other words, if the national debt is reduced by $580,000,000., in the coming year -- we would -- (Reading)

> "-- still leave $5,000,000. of excess receipts over expenditures after having paid for all of the regular expenditures of the Government plus debt retirement."

In other words, that is a complete presentation of the entire Government picture, with the exception of work relief. (Reading)

> "The item for relief remains. Without that item the Budget is in balance."

As I said before, that balance includes a reduction of the public debt by $580,000,000. (Reading)

> "To make today a formal Budget estimate of the amount necessary for work relief would be of necessity a difficult task. We have too recently reached our goal of putting three and one-half million people at work; and the beneficial effects from this program and from increasing expenditures on public works cannot be foretold as accurately today as it can two months from now. Furthermore, employment by private industry continues to show substantial gains over the figures of a year ago. It is reasonably certain that the total appropriations for work relief during the fiscal year 1937 will be far less than during the current fiscal year. It is estimated in this Budget that expenditures for recovery and relief out of unexpended balances of previous emergency appropriations will amount to $1,103,000,000."

In other words, that is the sum which has been obligated or allotted already out of the old $3,300,000,000., out of the $4,000,000,000. appropriation, which will not be spent because it is a long-term piece of work contract; it will not be spent or actually go out of the Treasury until after the first of July of this year. (Reading)

> "Including these expenditures the gross deficit for 1937, without an estimate for additional work relief, is less than the gross deficit for 1936 by $2,136,000,000. I do not anticipate that the need for additional relief funds will be as great as that sum.
>
> "To state the case even more precisely, the gross deficit of the Government in 1934 was $3,989,000,000; in 1935, $3,575,000,000.;"

that was beginning the decrease. (Reading)

> "-- in 1936 (estimate), $3,234,000,000; --"

still a decrease -- (Reading)

> "-- and in 1937 (estimated but not including any new appropriations for work relief), $1,098,000,000. Therefore, it is clear: First, that since June 30, 1934, the gross deficit of the Government shows a steady decrease during the fiscal years 1935 and 1936. Second, that if work relief appropriations by this session of the Congress were made up to a total of $2,136,000,000., the total gross deficit for the fiscal year 1937 would not exceed that of 1936, which was the lowest gross deficit of the past three years. Therefore, it follows that by whatever amount the appropriation for work relief at this session is less than $2,136,000,000., the gross deficit for 1937 will be less than the deficit for 1936 by the same amount."

Now, is that clear to everybody? In other words, here is another way to put it: that, in order for the deficit for 1937 to continue to go down and to be less than it is in this current year, we have got to keep work relief appropriations within the sum of $2,136,000,000. and, by whatever amount it is less than $2,136,000,000., that amount will represent the decrease in the deficit in the coming fiscal year over this present fiscal year.

Q Don't the transfer of the C.C.C. and Public Works to the regular Budget immediately lop $800,000,000. off that? That is, the C.C.C. was in the work expenditures of this year and so was Public Works. Now, you are estimating $800,000,000. for that next year. Wouldn't that immediately decrease that amount?

THE PRESIDENT: No. You do it the other way around. If you want to compare the total being spent on work and work relief during the 1937 year with what it was this year, $4,000,000,000., you see, so far as appropriations go, not expenditures, what you would do is to take the amount appropriated by this coming Congress and add to it C.C.C. and Public Works.

Q C.C.C. and Public Works are not included in that item of $3,234,000,000.?

MR. BELL: Oh, yes.

THE PRESIDENT: Oh, yes; they have all been put on a comparable basis in the tables further on. Including in the regular Budget the C.C.C. and

Public Works, we would still have a deficit this coming year of $1,103,000,000.; that is all. So we have this kitty or leeway to play with of $2,136,000,000. for work relief. (Reading)

> "With this limitation and this excellent prospect clearly in mind, I am not including in this Budget estimates for additional relief appropriations. I shall transmit such estimates with far greater knowledge and, therefore, with greater accuracy in sufficient time before the adjournment of this session to give the Congress full opportunity to examine into the subject and to make the necessary appropriations.
>
> "The credit of the Government is in sound condition. On October 15, 1933, war-time issues of First and Fourth Liberty bonds were outstanding in the aggregate amount of $8,200,000,000., bearing interest at an average rate of about 4 1/8 per cent. Today this entire amount has been refunded, of which about $5,000,000,000., was exchanged for long-term bonds bearing interest at rates ranging from 2 3/4 to 3¼ per cent per annum; $1,900,000,000. was exchanged for Treasury notes bearing interest from 1½ to 2½ per cent per annum, and the balance was paid in cash. The average rate on the securities issued to refund the Liberty bonds is less than 2 3/4 per cent per annum, a saving of approximately 1 3/8 per cent a year, or an annual reduction in interest payments of more than $100,000,000. on these particular securities.
>
> "The average rate on the interest-bearing debt was on June 30, 1934, approximately 3.18 per cent, whereas on November 30, 1935, it had been reduced to 2.575 per cent.
>
> "If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges. It is important as we emerge from the depression that no new activities be added to the Government unless provision is made for additional revenue to meet their cost."

And then we come to three rather technical recommendations which are not frightfully important but have been put in. I mean, there is not very much story in them. The first is: (Reading)

> "Appropriation transfer provisions. -- The text accompanying a number of the estimates of appropriations has been drafted to include provision for transfer between appropriations within the same department. This provision will add a measure of administrative flexibility and will tend to promote economical execution of the program as a whole, and approval thereof by the Congress is recommended."

That is one of Danny Bell's old pets, and here is another one: (Reading)

> "Repeal amendment to Agricultural Adjustment Act.--During the first session of the Seventy-fourth Congress the Agricultural Adjustment Act was amended so as to appropriate a sum equal to 30 per cent of customs receipts to the Secretary of Agriculture to encourage exportation and domestic consumption of agricultural commodities. No estimate of expenditure for account of this legislation is included herein; and repeal of the amendment is recommended for the following reasons:
>
> "By appropriating directly instead of authorizing an appropriation the amendment denies to the President the opportunity to consider the need and include appropriate estimates in the Budget; and it denies to the Congress the opportunity to review such estimates in their relation to the whole program of the Government. The amendment violates the principles of the Permanent Appropriation Repeal Act of 1934, and of the Budget and Accounting Act of June 10, 1921. It is in conflict with sound administration in that it provides in advance for large annual expenditures without any attempt to coordinate income and expense. The amendment was passed in the last days of the session as a result of conference agreement and without the debate and consideration by the Congress which the import of the measure clearly justifies."

Then, of course, further on that, that if one once starts to earmark what might be called general revenues for specific purposes, and the habit spreads, it is a bad thing.

Q There is no revenue provided for the purpose of encouraging exports under the other provisions of that section?

THE PRESIDENT: No. (Reading)

> "Apportionments of appropriations.-- Within the last few months control of the administrative expense of 20 emergency agencies has been vested in the Bureau of the Budget which after a general survey of all of them has effected substantial reductions in proposed expenditures for administrative purposes. Allowances for administrative expenses are subject to such adjustment as the status of the agency warrants.
>
> "The 20 agencies brought under the Budget are --"

then they are listed.

(The President did not read the names of the agencies which were as follows:)

"-- the Agricultural Adjustment Administration; Commodity Credit Corporation; Electric Home and Farm Authority; Export-Import Banks (2); Farm Credit Administration; Federal Coordinator of Transportation; Federal Deposit Insurance Corporation; Federal Emergency Administration of Public Works; Federal Emergency Relief Administration; Federal Farm Mortgage Corporation; Federal Home Loan Bank Board; Federal Housing Administration; Federal Savings and Loan System; Federal Savings and Loan Insurance Corporation; Federal Surplus Relief Corporation; Home Owners' Loan Corporation; National Recovery Administration; Reconstruction Finance Corporation and Tennessee Valley Authority."

(The President continues reading)

"It is recommended that section 3679 of the Revised Statutes be amended so as to bring all agencies of the Government, including Government-owned and Government-controlled corporations, within the authority of the Director of the Budget with respect to apportionments of appropriations and of other funds available to them."

In other words, I want to have written into law what I did by Executive Order.

Q Is that only administrative expenditures?

THE PRESIDENT: No, the whole thing.

Q That is further than your Order itself?

THE PRESIDENT: Yes.

Q Is Resettlement Administration brought into the Budget, into the regular Budget, by this? I do not believe I see it.

MR. BELL: No.

THE PRESIDENT: Dan says, "No." (Reading)

"Part III --"

we might as well read this. It gives you some idea. (Reading)

"Review of Fiscal Years 1935 and 1936 and the Fiscal Program of 1937"

"This review concerns itself with cash actually received and paid out by the Treasury in the fiscal year 1935; and with the estimates of receipts, appropriations, and expenditures for the fiscal years 1936 and 1937. As elsewhere stated herein the program of regular activities for 1937 includes activities under the Agricultural Adjustment Act and the Civilian Conserva-

> tion Corps (Emergency Conservation Work), heretofore classed as emergency. Therefore the figures used herein for 1934, 1935, and 1936 have been adjusted to a comparable basis.

"Fiscal Year 1935"

That is the one ended last July.

> "Receipts. -- Treasury receipts for the year ended June 30, 1935, were in excess of estimates prepared a year ago. Considering all sources except postal revenues, total receipts amounted to $3,800,467,202., or $89,000,000. above the estimate."

I might add here that you will find all the way through, in the reviews of the fiscal years 1934, 1935, 1936 and up to date, that the Treasury estimates, by the grace of God and a little tact, have not only been extremely close to where they have put us on the right side, they have always, practically always, underestimated receipts and overestimated expenditures. That is a very extraordinary showing of the Treasury Department experts along that line. (Reading)

> "Internal revenue, including processing taxes on farm products, produced $3,277,690,028., exceeding the estimate by $80,000,000. Customs receipts amounted to $343,353,033., an increase over the estimate of $56,000,000. Miscellaneous receipts, including realization upon assets, estimated at $227,184,181., fell short of the estimate by $48,000,000.; the amount actually received under this item was $179,424,140."

There was a special reason for that. Part of that was that Jones (Jesse Jones, Chairman of the R.F.C.) was authorized, by an amendment to the law, to use part of his receipts from the sales of Ickes' (Secretary Ickes') bonds, to turn back to Ickes, as a revolving fund, to put out on loan again.

MR. BELL: Part of it was due to the fact that Jones did not pay interest to July 1, whereas it was estimated in the Budget as of May 1.

THE PRESIDENT: (Reading)

> "Expenditures.-- While actual receipts for the year were greater than anticipated, actual expenditures were less than the amount estimated by $1,205,000,000. The aggregate of all expenditures was

$7,375,825,166., against an estimate of $8,581,069,026. Approximately a billion dollars of this difference related to recovery and relief, and the regular agencies accounted for the remainder.

"The total spent for recovery and relief was $3,068,803,053., whereas the 1936 Budget estimate was $4,068,541,852., exclusive of expenditures made under the Agricultural Adjustment Act and made by the Civilian Conservation Corps. This difference is partly due to this fact:

"When the Budget for 1936 was prepared it seemed probable that the Reconstruction Finance Corporation, in all accounts except relief, would close the year with an excess of loans over repayments; and the amount of the net expenditures was estimated at $556,000,000. However, because of improved business conditions, the demands for Corporation assistance were so much less than estimated and the repayments of loans so much greater, that the Corporation actually closed the year with net receipts of $107,000,000. Therefore, the net difference between the estimated expenditure and the actual result amounted to $663,000,000. Other agencies spent for recovery and relief $337,000,000. less than estimated."

Q May I ask a question there? 1935 is the only year I see for the net receipts by the R.F.C. For 1936 and 1937, are there any estimated net receipts by the R.F.C.?

MR. BELL: You will find that in the annexed budget for the R.F.C., set down in detail.

Q About what page?

MR. BELL: Page 683.

THE PRESIDENT: (Continuing with his reading)

"For the operation and maintenance of regular departments and establishments of the Government, including the Agricultural Adjustment Act and the Civilian Conservation Corps, actual expenditures were $2,912,537,509., against the estimate of $3,104,961,174.

"For statutory debt retirements there was expended $573,558,250., and for interest on the public debt $820,926,353., whereas the amounts budgeted for these items were, respectively, $572,566,000. and $835,000,000."

That was pretty close reckoning.

"Deficit and Public Debt.-- The year closed with a gross deficit of $3,575,357,964. instead of the estimate of $4,869,418,338.

> After deducting the amount paid out for statutory debt retirement the net deficit was $3,001,799,714. The increase in the total outstanding gross public debt was $1,647,751,210., which figure is properly obtained by subtracting from the net deficit the decrease in the general fund balance, the excess of receipts from trust funds, increment on gold, et cetera, over expenditures from the same accounts, and the amount of retirement of national-bank notes from the gold increment."

In other words, that is the same thing we talked about a week ago in the Press Conference, that stories about the national debt, unless you take these things into consideration, are not worth the paper they are written on. (Reading)

> "As of June 30, 1935, the total outstanding gross public debt was $28,700,892,624., while on June 30, 1934, it was $27,053,141,414."

So much for the fiscal year 1935, which ended last summer.

Now for the -- (Reading)

"Fiscal Year 1936"

> "Drawing upon the experience of the first six months of the current year it is possible to forecast with a fair degree of accuracy the results of financial operations for the whole 1936 fiscal period.
>
> "Receipts.-- The same sources of income (excluding postal revenues) which a year ago were expected to produce receipts aggregating $3,991,904,639. are now expected to produce a total of $4,410,793,946.
>
> "Of the items comprising the whole, income taxes will develop $1,434,112,000. or $246,000,000. more than the 1936 Budget estimate.
>
> "Miscellaneous internal revenue exclusive of processing taxes is now estimated at $1,873,091,000., an increase of $187,000,000. Receipts from customs are expected to reach a total of $353,191,000., exceeding the original estimate by $55,000,000. Other changes, some upward and some downward, result in the new estimate of total receipts at a figure of $419,000,000. higher than shown in the Budget for 1936 which was presented a year ago.
>
> "The present estimate for processing taxes in 1936, included in above total, is in round figures $529,000,000., as against the original estimate of $570,000,000. Actual receipts for the five months ended November 30, 1935, totaled $56,000,000., while up to that date approximately $148,000,000. of due payments had been impounded as the result of preliminary court action.

"It is pertinent to repeat here a statement appearing in the Summation of the 1936 Budget: 'Estimates of receipts contemplate continued collection of processing taxes. If the attack which has been made upon this act is sustained we will have to face the problem of financing existing contracts for benefit payments out of some form of new taxes.'

"Two new taxes, namely, the bituminous coal tax and the taxes upon carriers and their employees, both representing recent legislation, will contribute $39,000,000. not included in the original estimate of receipts for 1936. New taxes imposed by the Social Security Act and the Revenue Act of 1935 will not produce any income until the fiscal year 1937.

"Expenditures.-- Indications are that expenditures including debt retirement during the present fiscal year will not reach the amount budgeted by approximately $875,000,000.; the total now foreseen is $7,645,301,338., against the original estimate of $8,520,413,609. Exclusive of debt retirement the total of expenditures is now estimated at $7,093,276,338., while the original comparable figure was $7,883,979,609. For recovery and relief the revised estimate of expenditures for the fiscal year 1936 is less than the original Budget estimate by $738,000,000., and expenditures for all regular purposes, --"

here again, they are bringing this up to date by including this thing in the regular figures. (Reading)

"-- including Agricultural Adjustment Act and Civilian Conservation Corps, will be less by $137,000,000. Debt retirement will require $84,000,000. less than was budgeted and interest payments will be $133,000,000. less. All regular expenditures, excluding service on the public debt, will be greater than the original Budget estimate by about $80,000,000."

Q May I ask a question there? This recovery and relief revised estimate of expenditures, is that less than the original Budget estimate of $738,000,000.? Is that what is left of the $4,000,000,000.?

MR. BELL: All emergency funds are included in those figures.

Q Including the three C's (the Civilian Conservation Corps) and others?

MR. BELL: Yes.

Q On that, in the daily Treasury statement, in the listing of unexpended balances, just in the items that you have made allotments to, from the Public Works funds and emergency expenditures -- I am not very good at mathematics, but the way I figure it, that the way you spend money in the next few months, you will have much more than a billion dollars of that left. What interested me particularly was that there seemed to be money, in addition to the $4,000,000,000., that was carried over from previous appropriations into those items.

THE PRESIDENT: There is some of the 1933 money that is in the Treasury yet. It is all obligated.

Q What I took was the average daily expenditure of the Government over six months as indicating the rate of expenditures, and it requires a much accelerated rate of expenditure, unless you are going to have a couple of billion dollars left from those items.

MR. BELL: It will be a little more than a billion, but we figure a billion dollars will be spent. Some of those allocations will extend over to 1938 and 1939 for the construction of large projects.

Q Allocations would continue for those items to be expended in addition to what was appropriated for the present fiscal year?

THE PRESIDENT: We have to think not only of 1937 but of 1938 and 1939 and we figure, out of all previous appropriations made, that in those twelve months of the fiscal year 1937 there will be $1,033,000,000. actually paid out by the Treasury. There will still be some sums not paid out.

MR. BELL: The daily statement includes specific appropriations. In the first column there are specific appropriations, such as land banks, capital stock and the three A's.

Q Those are not included in the three items I have referred to. I just took the items from the $4,000,000,000. fund as being emergency items, as distinguished from the others. That is $6,600,000,000., if you take the whole.

THE PRESIDENT: Of course there will be more than $1,033,000,000. still to be spent after July of this coming year, but of course we will actually spend $1,033,000,000. this coming year.

Q Of course the actual balance might be higher than the $1,033,000,000.?

THE PRESIDENT: We have to take the best figure we can have. You are right on one thing: we have always overestimated our expenditures, which is a good thing to do.

Q Have you any unexpended balances, on which new appropriations will not have to be made in this Congress, in any other funds?

MR. BELL: You mean emergency?

Q Outside of this $4,000,000,000., any other unexpended balances?

MR. BELL: The unexpended balances of the $3,300,000,000. and the $525,000,000. and the $829,000,000.

THE PRESIDENT: Those are even going further back.

Q No others?

MR. BELL: Not that I know of.

Q May I ask another question in line with Mr. Hayden's question? We have figured these totals together and been somewhat messed up with them, but the highest rate of expenditure in any month of the thirty months since the 1934 fiscal year began is about $274,000,000. spent between November and December sixteenth. If the expenditure follows that rate, as I remember it, the amount left to the spending agencies, unexpended on July 1, 1936, would be in excess of $2,000,000,000., and if all of it were spent, the rate of expenditure would be close to $600,000,000. per month. It is not expected that that rate of expenditure would go up that sharply, is it?

THE PRESIDENT: No. It will go up for this reason: You know all of the public works that have been allotted are, most of them, contracts signed before the December fifth deadline, but the actual dirt won't do very much flying until the winter, with an increased volume of expenditures all through the spring, because they are, most of them, fairly heavy jobs. So that part of it will increase, undoubtedly, on monthly expenditures. Of course we assume that the W.P.A. will go along at about the same level.

Q At about this past level?

THE PRESIDENT: Yes. Your largest increase in actual monthly expenditures will be from the actual construction started on P.W.A. work.

Q Mr. President, may I ask another question with reference to Public Works and CCC.? As I understand it, they are transferred to the regular Budget. Does that mean they will be -- you will ask Congress for an appropriation to cover their future operations rather than continue to finance them out of the balance of work relief funds? In other words, what they would cost in work relief funds in the future would be covered by regular appropriations, leaving a larger balance for work relief than would otherwise be the case?

THE PRESIDENT: Work relief, I hope, will be an entirely separate item.

Q Along that line, is this list of twenty agencies on page X -- are all of those taken from emergency appropriations and put into the regular Budget and made permanent?

THE PRESIDENT: Oh, you mean the list brought into the Budget? No, that is merely for Budget purposes.

Q Have you a separate list of those taken out of emergency appropriations and put in this permanent situation?

MR. BELL: Only C.C.C. and Agriculture (A.A.A.) are the agencies taken out and put into the permanent.

THE PRESIDENT: That is all; those two.

Q Take Agricultural Adjustment and put it in the regular departmental work, including cash benefits?

THE PRESIDENT: Yes.

Q Would that mean you would ask an appropriation for cash benefits?

THE PRESIDENT: Of course it is an indefinite amount because you cannot tell. That necessarily is an indefinite appropriation.

Q What, in case some special tax, as the processing tax, is wiped out?

THE PRESIDENT: We cannot approach that until later.

Q Of course, on that point, you figured the processing tax and the other in this Budget?

THE PRESIDENT: The processing tax is included as a regular receipt, just as contracts paid out are included as a regular expected expenditure. I have been perfectly honest about it; it is all right.

Q On this "permanizing" of the A.A.A. and the C.C.C., won't making them permanent require other enabling legislation than merely setting them up as permanent items in the Budget?

THE PRESIDENT: It will in the case of C.C.C. I do not think it will in the case of Triple A.

MR. BELL: I don't think it has any limit as to time but you have authority to do it by Executive Order.

Q Until the emergency is over.

Q Suppose the A.A.A. is nullified by the Court (The Supreme Court)?

THE PRESIDENT: Then we will have to cross that bridge when we come to it.

Q That will require new legislation?

THE PRESIDENT: Sure.

Q Does this contemplate any reduction in the Government payrolls?

THE PRESIDENT: Of course the Government payrolls are heavy. If you count all the farmers and the 3½ million on relief, of course it will run around -- what did the New York Sun figure? -- 7 million people. Figure it any way you want.

Q On that point, if you will go back to page VII of the Ruman numerals. That does not jibe with the daily Treasury totals. That shows that for every dollar received, $1.10 was spent on every item other than relief.

THE PRESIDENT: That was for the following fiscal year.

Q No.

THE PRESIDENT: On page VII?

Q Yes, right in the middle of the page.

THE PRESIDENT: What is the sentence?

Q In the previous paragraph you said that with the exception of work relief expenditures --

THE PRESIDENT: (interposing) Wait a minute, until I find it.

Q That is page VII of the Roman numerals.

THE PRESIDENT: What paragraph?

Q (reading)

> "In my Budget message of January, 1935 . . . . . . If this Budget receives approval of the Congress, the country will henceforth have the assurance --"

THE PRESIDENT: (interposing) That was the 4,000,000,000. item.

Q (reading)

> "-- that with the single exception of this item, every current expenditure of whatever nature will be fully covered by our estimates of current receipts."

If you take the daily Treasury statement of the first six months of the present year, the way I figure it, the ordinary expenditures of the Government were $1.10 for every dollar received, and if you include relief, it is $1.98.

THE PRESIDENT: Oh, if you include relief. I did not say that.

MR. BELL: You have processing taxes which are impounded, 150 or 160 million dollars, and we expect much larger receipts in the last six months of the year than you have in the first six months.

THE PRESIDENT: We get the big income tax payments. I think it will work out. (Continuing with the reading)

> "The reduction in interest payments from the amount budgeted, as referred to above, was due largely to the refunding of First and Fourth Liberty Loan bonds aggregating $8,200,000,000., at substantially lower rates of interest.
>
> "Deficit and Public Debt.-- The revised estimates as set out herein show a gross deficit for the current fiscal year of approximately $3,234,000,000., instead of the original Budget forecast of $4,529,000,000. After deducting the amount of statutory debt retirement the net deficit will be, in round figures, $2,682,000,000. The gross public debt as at June 30, 1936, should not be greater than $31,000,000,000. This estimate assumes that the working balance in the Treasury on June 30, 1936, will be approximately the same as it was on June 30, 1935, namely, $1,001,142,951. Obviously, if the working balance is less, the gross debt will be less; and if the working balance will be greater, the gross debt will be greater.
>
> "The foregoing figures are set out in the following table for ready comparison between Budget estimates of a year ago and what are now considered probable."

There is no use reading the table. If you want to look at it and askany questions -- it shows the difference between the Budget estimate of a year ago and the revised estimate a year later, after six months of experience.

Q On this revised -- part of the reason is that the rate of expenditures on these emergency expenditures is less than expected?

THE PRESIDENT: And the other is, receipts have been greater.

Q What relation does that carryover of relief funds have to next year? You have them going from 1936 to 1937. Are you going to state them?

THE PRESIDENT: There are some of these figures carried over from the year before.

Q That is what I figure.

THE PRESIDENT: Each year we carry over quite a lot of expense money. I have forgotten what the exact amount was a year ago.

Q I notice a decrease of $84,000,000. on statutory debt retirement. Does the statutory requirement go down with the rate of interest?

MR. BELL: No, that was due to where Mr. Jones (Jesse Jones, Chairman of the R.F.C.) took Mr. Ickes' (Secretary Ickes) securities and he uses the money on a transaction of that character, but, under the original law, if Ickes sold those securities on the market himself and got payment, it would have to go to the Treasury as debt retirement and it was estimated in the previous Budget as debt retirement.

Q May I ask a question in regard to the table? There was one estimate of September last year. Is there any significant difference between that revised estimate and the present revised estimate?

THE PRESIDENT: Very small. We left out the comparison with the September figure because we thought it would confuse people. But it is very small, either way.

(The President continued reading as follows:)

"Postal revenues for the fiscal year 1936 are now estimated at $670,000,000., which is $25,000,000. over the original estimate.

"The Fiscal Program of 1937"

"There is presented here a brief factual resume of the principal features of the Budget for the fiscal year 1937, the details of which appear in subsequent text and tables. A few high points stand out and justify emphasis.

"Without impairing the ability of the Government to carry on its normal functions and to prosecute those activities essential to continued recovery, the Budget reflects a substantial decrease in the spread between income and outgo. This is consistent with the prediction made in the Budget message a year ago and is possible because of progressive improvement in the economic status of the people. The state of national recovery is such that receipts from prevailing tax sources on the basis of present rates appear adequate for financing the ordinary operations of the Government in 1937, including service on the public debt; and no new or additional taxes are proposed.

"Legislation enacted by the first session of the Seventy-fourth Congress makes it necessary to provide in the 1937 estimates new appropriation items aggregating $667,000,000. This total will become approximately $767,000,000. should the Congress reject the recommendation, hereinbefore offered, for repeal of that part of the Agricultural Adjustment Act which appropriates a sum equal to 30 per cent of customs receipts to the Secretary of Agriculture.

"Legislation enacted by the first session also permits including in these estimates a total of $769,000,000 of additional receipts, of which about 70 per cent will accrue under the Bituminous Coal Conservation Act, the act levying taxes upon carriers and their employees, and the Social Security Act."

And that last one is a big one.

"It is worthy of note that but slightly less than 30 per cent of this increase will be derived under the Revenue Act of 1935. This act, it will be recalled, slightly increased taxes on individuals whose net incomes exceed $50,000 per year; --"

poor devils, and

"-- slightly increased estate taxes --"

that is off the record -- (laughter)

"-- on larger fortunes with a corresponding increase in gift taxes; and in respect of corporations, decreased taxes on net earnings of small corporations while increasing in relative ratio the taxes on net income of larger corporations. The act also provided for an increase in taxes on capital stock and on excess profits of corporations. The effect of the excess-profits tax was to increase taxes on corporations which earned in excess of certain percentages of their adjusted declared value of capital stock.

"The total revenue expected to be produced by these taxes in the fiscal year 1937 will be only $222,000,000., or 11 per cent, over the income, estate, gift, capital-stock, and excess-profits taxes under the old law. Since collections in the fiscal year 1937 from income taxes and the estate tax only partially reflect the Revenue Act of 1935, the above amount will be somewhat larger on a full year basis.

"A Federal public-works program of $405,000,000. --"

you see, on that I have kept it, so far, well within the figures we talked about way back sometime last spring. I said then that the Nation could stand about $500,000,000. a year, to be spent, year in and year out, on a planned system of public works. Well, this is the first step towards putting that Government policy into effect. Instead of making it $500,000,000., we have got it down to $405,000,000. I do not know whether it will stay there or not; that is all I have recommended.

Q Is there a breakdown of that figure?

THE PRESIDENT: Yes.

Q Does that include housing?

THE PRESIDENT: No.

Q Does that include a lot of these Public Works items now under construction? Allotments from existing funds made? Will there be $405,000,000. of new public works in addition to carrying on those already taken care of?

THE PRESIDENT: Oh, yes. For instance, as an example, Upper Mississippi. We have been working on that for seven years and I have only financed Upper Mississippi out of the emergency funds in an amount necessary for each year. As I remember it, it has been $31,000,000. each year. Now, that will be carried on to completion out of the $405,000,000., not out of the Work Relief funds.

Q Will Mr. Bell indicate the breakdown table on that?

(Mr. Bell indicated the breakdown table.)

Q The breakdown shows $887,000,000. for Public Works. Is that the one?

THE PRESIDENT: What page is it?

Q Page XXVI.

THE PRESIDENT: Go ahead, Dan (Mr. Bell), and see if you can find the regular table that justifies your figures.

Q Is there a provision for housing?

THE PRESIDENT: That is not in it. No, no provision for housing. What page is that?

Q Roman numeral XXVI.

THE PRESIDENT: There you are, Dan. How do you get $405,000,000. out of $887,000,000.?

Q Mr. President, I don't find that on page XXVI.

MR. BELL: It is in there, some place. What happened was that for comparative purposes we had the three expenditures brought over from old balances in these tables, and following this table there is a summary setting up the $405,000,000.

Q Are we right in assuming, then, that the total amount spent in the year will be $887,000,000. and the additional amount will be carried over from old appropriations?

THE PRESIDENT: I don't know. Can we say that?

MR. BELL: No, I believe that includes the $404,000,000.

THE PRESIDENT: No, this undoubtedly includes the $404,000,000. Where do you get the rest, out of appropriations not spent? I think that is it.

Q There is a $236,000,000. appropriation for highways, which is not included.

THE PRESIDENT: It is a carryover.

Q This $887,000,000. is included under recovery and relief and the $405,000,000., that is not a recovery and relief item?

THE PRESIDENT: No, that is a Public Works item.

MR. BELL: The $887,000,000. you are looking at is part of the $1,103,000,000. that is going in the1937 summary.

Q On page XXV there is a general Public Works annual program that is $322,000,000.

MR. BELL: Well, that is an expenditure basis.

Q As a matter of fact, the $405,000,000. in the regular Budget and the $887,000,000. in the carryover --

THE PRESIDENT: (interposing) Wait a minute, don't put that carryover in two places. You already have it in the $1,033,000,000. carryover. You can't put it in again, add it to the $405,000,000.

Q Mr. Bell said that this $887,000,000. was part of the $1,033,000,000 ($1,103,000,000?)?

THE PRESIDENT: Yes.

Q In your other Budget, in your Budget summation, you have that $1,103,000,000. in addition to the $400,000,000. on the public works.

THE PRESIDENT: That $1,103,000,000. included everything that has not been spent but will be spent in the fiscal year.

Q In addition to that, you have this $400,000,000. for public works scattered through the various departments.

THE PRESIDENT: The easiest way of putting it is this: I assume in that figure of $1,033,000,000., or whatever it is, there is a carryover of all kinds of items that will be spent next year, not only public works but all sorts of things, and that in that is $400,000,000. for public works, and in addition to that $1,000,000,000., there is $405,000,000. for new public works.

Q Do you specify where they are and what they are?

THE PRESIDENT: They are in there somewhere. It is in there, some place.

Q A-89.

THE PRESIDENT: Here it is. It is in the green book. That is the analysis.

All right; A-89 in the green book. The second sentence: (Reading)

"The estimates of appropriations for 1937 provide a total of $404,960,000. for these purposes as compared with $218,409,000. appropriated in 1936 directly to the respective departments and establishments involved, or an increase of $186,551,000. over 1936. The estimates for 1937 are itemized as follows:

"The estimate of $300,000. for the District of Columbia Alley Dwelling Authority contemplates continuation of the program for elimination of alley dwellings in the District of Columbia, as provided in the District of Columbia Alley Dwelling Act of June 12, 1934."

Q Isn't that slum clearance?

THE PRESIDENT: Yes, in the District. Of course that is a Federal force.

(Reading)

"For this purpose $700,000. has heretofore been made available by allotments of emergency funds.

"For the construction program of the Tennessee Valley Authority during 1937 the sum of $43,000,000. is provided, an increase of $7,000,000. over the appropriation for 1936. However, in addition to the appropriation of $36,000,000. in 1936 there is also available for expenditure during that year $23,480,429. from unexpended balance from former years, whereas the unobligated balance at the close of the fiscal year 1936, available for expenditure in 1937, is estimated to be only $927,816. This will make a total availability of $43,927,816. for the fiscal year 1937 as compared with $59,480,429. for the fiscal year 1936.

"While the appropriation for 1936 for the construction program of the Veterans' Administration amounts to $22,175,000., the additional construction program to be undertaken in 1937 will require only $4,000,000. It will provide hospital and domiciliary facilities and services for mental cases principally in Michigan, Tennessee, Alabama and Vermont.

"For the Department of Agriculture there are submitted estimates of $60,000,000. for the Federal-aid highway system and $8,000,000. for forest roads and trails. This is an increase of $28,000,000. over the appropriation made for 1936. In the case of the Federal-aid highway system, the estimate of $60,000,000. applies against an unappropriated balance of $85,000,000. under the authorization of $125,000,000. contained in the act of June 18,1934, for the fiscal year 1936, and represents the amount estimated to be required to meet obligations maturing in the fiscal year 1937. The act of June 18, 1934, also authorized the appropriation of $125,000,000. for the fiscal year 1937, but in view of the fact that a total of

> $1,000,000,000. has been provided from emergency funds during the fiscal-year period 1933-36 for road construction, of which approximately $230,000,000. will be available for expenditure during the fiscal year 1937, it has been proposed, by the insertion of appropriate language in the item 'Federal-aid highway system', that the authorization for 1937 be canceled as to that year and made applicable to the fiscal year 1938."

Well, some of you are familiar with the manner by which Congress authorizes the Secretary of Agriculture to go ahead and make what might be called oral contracts with any state for future highway building. They do not appropriate the money -- Congress does that at the time -- but they get the states all set, all raring to go, and then the following Congress comes along and adds to those appropriations and so there is always involved, Congress is involved in appropriating money to make good on promises of two years before, of the past year and of the current year. We are trying to get them now to straighten the thing out and only appropriate, or rather, only make contracts with states or make offers to states in accordance with a specific, definite appropriation and cut out all this authorization situation. It will be a much sounder thing to do and I hope we get them away from it by this method. (Reading)

> "For public works under the Department of the Interior a total appropriation of $91,310,000. is requested for 1937. This will provide $3,500,000. for construction of roads on Indian reservations --"

again this old authorization two years back --

> "-- under the authority of the act of June 18, 1934; $6,500,000. for construction of roads and trails in national parks and monuments under authorization of the act of June 18, 1934; $500,000 for .... two continuous treatment buildings at St. Elizabeths ...... $9,600,000. for continuation of construction of the Boulder Canyon Dam."

Q I notice, in looking at page XXVI of the smaller document, that there is something in there for continuation of the Boulder Dam Project, the sum being $9,000,000. Is that in addition to this?

MR. BELL: You are looking under the expenditures table, aren't you? That is the expenditures table.

THE PRESIDENT: That is an expenditure table and this is an appropriation table.

Q Is one in addition to the other?

MR. BELL: No, this is $9,100,000. and the other is $9,500,000. or $9,600,000.

Q There is no relation between the items for which the $400,000,000. is appropriated and this group, which you might call the Ickes Public Works items, which are listed on page XXVI? That is, the $887,000,000. is the Ickes program and the $400,000,000. is the old Public Works that has been going on for years, like public buildings and Indian reservations; that is the old Public Works?

THE PRESIDENT: Yes, only to the old Public Works we have added a lot of things not in there before.

MR. BELL: These are Federal --

Q (interposing) But those other items, the $800,000,000., are what might be called Ickes' program, loans to railroads and highways, rural rehabilitation, Works Progress --

THE PRESIDENT: (interposing) But the point is that there again those are estimated expenditures. We have always got to keep clear in our minds the difference between estimated expenditures and estimated appropriations.

Q Will you give us a distinction?

THE PRESIDENT: An estimated expenditure contains all the unspent balances of former years, which will probably be spent in the next fiscal year. In other words, it is the cash that goes out of the Treasury. On the other hand, the Appropriation Bill is for new appropriations and has no reference to the old ones.

Q Mr. President, I notice under these new appropriations of $405,000,000. that they are all Federal projects and no non-Federal have been included at all.

THE PRESIDENT: That is right and in the estimates of expenditures, on the other hand, you have not only Federal projects but all kinds of non-Federal projects.

Q So, going back to my original question, that may represent $405,000,000. plus carryover?

MR. BELL: No. It represents the old emergency funds entirely.

Q There won't be any new appropriation for loans and grants to states and municipalities?

THE PRESIDENT: No.

Q The $887,000,000. is the old entirely and this $405,000,000. is new in addition to that? Is that correct?

THE PRESIDENT: Yes.

Q Do I correctly understand that for 1937 you take the C.C.C. and the Triple A benefits and public works out of emergency and put them in the regular permanent?

THE PRESIDENT: Yes.

Q And in 1937 the total revenues expected are $5,650,000,000. and the total expenditures, including these three features, are $5,064,000,000.?

THE PRESIDENT: That is right. So that, on the basis of receipts against these expenditures, we are $580,000,000. in the black, but then, in addition to that, we want to pay off $575,000,000. of the public debt, which would leave us $5,000,000. in the black after paying off the public debt.

Q The estimated receipts include receipts from processing taxes?

THE PRESIDENT: Yes.

Q Does it show anywhere in that Budget just how much money you will ask Congress to appropriate this session?

THE PRESIDENT: Yes.

MR. BELL: There is an item on appropriations in the Message following the estimates of receipts and expenditures.

(The President continued reading from his Message transmitting the Budget:)

> "A Federal public-works program of $405,000,000 is recommended to meet in part the development and improvement requirements of the Government, and as a proper Federal contribution to work opportunity. While this program represents an increase of about $187,000,000. over the amount for similar purposes for which the Congress made specific appropriations for the current fiscal year, it is $333,000,000. less than the total amount made available for Federal public works in 1936, --"

that includes allotments --

> "-- considering allotments made from emergency funds."

Those allotments spoken of there are only allotments for Federal projects. Right, Dan?

MR. BELL: That is right.

THE PRESIDENT: So the net result is that we are asking for Federal projects $333,000,000. less for 1937 than has been either appropriated or allotted for Federal projects in 1936.

Q What I meant, sir, was total of appropriations.

THE PRESIDENT: See page XIX. We are coming to it.

Q Does that indicate that two former items, loans and grants to cities on direct relief, are going to be liquidated the next fiscal year?

THE PRESIDENT: Yes.

Q Before you leave public works, --

THE PRESIDENT: (interposing) Remember this on that: We still have the loan fund, the revolving fund.

Q Before you leave this public works, I see there is $129,000,000. for rivers and harbors.

THE PRESIDENT: Yes.

Q Also the Florida Ship Canal?

THE PRESIDENT: Yes.

Q In that connection, you included all the construction of Federal aid to highways. That report following page A-89, you say there is no appropriation included for the Bureau of Public [Roads?] Reports. Does that mean the Bureau is to be transferred?

THE PRESIDENT: Oh, no.

Q It merely does the work under the general program? We are catching up with past years.

THE PRESIDENT: Every one of these appropriations for public works, $405,000,000., are being done by the regular departments of the Government.

Q How much of the $404,000,000. ($405,000,000.) will you spend next year?

MR. BELL: I think it is 322 (million dollars) and that includes the carry-over of the 218 (million dollars) last year also.

Q That is included in the 887 (million dollars)?

THE PRESIDENT: No.

Q Are items under General Public Works Program included in that table at page A-80 -- isn't that a breakdown? Doesn't that show the appropriation is $405,000,000. and the expenditure $322,000,000.?

MR. BELL: Yes.

THE PRESIDENT: That is right. At the bottom of page A-80 it gives you the breakdown of how much would be spent out of the $404,000,000.

MR. BELL: That does not mean the $322,000,000. will be spent out of the $404,000,000.

Q Oh, it does not? (Laughter)

MR. BELL: It means $94,000,000. will be spent in 1936 out of $218,000,000. and leaving $124,000,000. to be carried over, so you spend $124,000,000. plus $200,000,000. out of the --

Q (interposing) General Public Works expenditure?

MR. BELL: Yes, you have to take the two to get it.

(The President continued reading:)

> "The success attending the operations of the Civilian Conservation Corps and the Agricultural Adjustment Administration under emergency status justifies taking them into the Budget and program for 1937 as regular activities, and the estimates of appropriations and expenditures have been prepared accordingly. The appropriation recommended for Civilian Conservation Corps is for the period March 31, 1936, to March 31, 1937, and amounts to $246,000,000., while the appropriation for the Agricultural Adjustment Administration is for the full year and amounts to $499,054,985."

The reason for not carrying C.C.C. to the end of 1937 is that they have to have their life extended by law. We could only estimate it to the end of March. (Reading)

> "The following table gives a clear picture of the main figures proposed in this Budget and shows how they compare with similar figures for previous years."

The first subtitle, "Receipts," shows 1934, $3,116,000,000.; 1935, $3,800,000,000.; and then the estimated receipts for 1936 are $4,411,000,000., and for 1937, $5,654,000,000. That is just what I referred to in the Message last night. There is the proof of it.

On the expenditures table, the regular expenditures as shown at the bottom are $3,444,000,000. in 1934; in 1935 they were $4,306,000,000.; and the estimated expenditures, regular, in 1936 are $4,776,000,000., and in 1937, $5,649,000,000., showing -- wait a minute, you have to add to that in the first three columns the excess of regular expenditures over receipts and this coming fiscal year an excess of receipts over expenditures and therefore you have to deduct it.

Coming down to the gross deficit, you have $3,989,000,000. in 1934, $3,575,000,000. in 1935, $3,234,000,000. in 1936 and in 1937 it is $1,098,000,000. Now, here is where we get this figure we have been talking about: The estimated deficit for the current year over everything is $3,234,000,000. The estimated deficit for this year, not counting work relief, is $1,098,000,000. Therefore, if you deduct that $1,098,000,000. from $3,234,000,000., you find you have this leeway I am talking about of $2,236,000,000., whatever it is, which, if we keep within, will keep the deficit for the year 1937 still below the deficit for the year 1936.

Q How does Mr. Bell explain that item, "Excess of regular expenditures over receipts" for the estimated year 1936?

THE PRESIDENT: $365,000,000.?

Q Yes, the fourth line from the bottom.

THE PRESIDENT: You get that by deducting $4,411,000,000. from $4,776,000,000.

Q Yes, the regular expenditures are not above the receipts?

MR. BELL: Well, that was true when you made your statement. Let us see: You had C.C.C. and the Three A's in the emergency. The President made the statement based on the conditions at that time, and based on the same conditions, they are still true.

Q It includes the Three C's and Three A's?

MR. BELL: That is right, and it also includes debt requirements.

THE PRESIDENT: And then the bottom line (referring to the table on page XVI) shows the gross public debt, $27,053,000,000. (for 1934), $28,701,000,000. (for 1935), $30,933,000,000. (estimated for 1936), and $31,351,000,000. (estimated for 1937).

Q Mr. President, where does the $600,000,000. come from? The debt goes up only $400,000,000. compared with the deficit by approximately a billion?

THE PRESIDENT: Based on what?

Q The gross debt goes up only $400,000,000.

MR. BELL: You deduct the debt retirement and you get $500,000,000. and there is approximately $100,000,000. debt retirement due to national bank notes being retired.

Q Social Security: are they figured on the basis of any 90 per cent rebate, or not?

MR. BELL: That is not Social Security -- that is Bituminous Coal.

Q The Social Security allows states a 90 per cent rebate if their laws meet the approval of the Social Security law.

MR. BELL: They are all based on the most favorable. The 90 per cent would be rebated and that is all explained in the analysis of revenues.

Q Is that increase of almost a billion due entirely to the major public works?

THE PRESIDENT: Mostly, except certain items which I think are shown a little further on -- Army and Navy and so on. I think that is further on. (Reading)

> "Directing attention to a comparison between fiscal operations proposed for 1937 and now estimated for 1936, as set forth in the table, the following comment is pertinent:
>
> "Receipts.-- Receipts in 1937 (exclusive of postal revenues and processing taxes and also, for purposes of comparison, exclusive of taxes imposed under the Social Security Act, the

Bituminous Coal Conservation Act, and the act levying taxes upon carriers and their employees) are expected to reach a total of $4,559,817,650., an increase of $716,665,704. over similar receipts for 1936 now estimated at $3,843,151,946., and $1,280,730,319. over 1935. It should be pointed out here that this increase is due largely to increased collections anticipated under the old schedules. As has been stated, only about $222,000,000. will be collected in 1937 as a result of new schedules in the Revenue Act of 1935.

"From processing taxes the sum anticipated is $547,300,000., against the estimate of $529,042,000. for the current year, an increase of $18,258,000. Other taxes recently authorized by the Congress under the Social Security Act, the Bituminous Coal Conservation Act, and the act levying taxes upon carriers and their employees will produce $547,100,000. in 1937 and $38,600,000. this year, an increase of $508,500,000."

That answers that question. (Reading)

"Thus 1937 receipts from all sources, except postal revenues, are estimated at $5,654,217,650., against the revised estimate of $4,410,793,946. for the current fiscal year. The increase in total receipts from stated sources is, therefore, $1,243,423,704.

"Postal receipts for the coming year are estimated at $705,000,000., an increase of $35,000,000. over $670,000,000. anticipated in 1936. This is further evidence of the upward trend in economic conditions.

"An examination of the detailed estimates of receipts for 1937 indicates a gain over 1936 in income tax of $508,488,000., the figures for the two years being respectively $1,942,600,000. and $1,434,112,000. Similarly, estimated receipts from miscellaneous internal revenue, exclusive of processing taxes, are up from $1,873,091,000. to $2,103,114,000., a gain of $230,023,000. Customs receipts are forecast at $354,000,000., substantially the same as anticipated for 1936. The reduction of $22,654,296. in probable miscellaneous receipts, from $182,757,946. to $160,103,650., brings the net increase in the estimates of these four classes of receipts to $716,665,704., as stated.

"The provisions of the Social Security Act, the Bituminous Coal Conservation Act, and the act levying taxes upon carriers and their employees --"

the Railroad Act -- (Reading)

"-- are such that receipts during the fiscal year 1936 will be comparatively small while revenues from these sources in the next fiscal year will show substantial increases. The amounts estimated for 1937 from such new taxes in the order named are $433,200,000., $12,300,000., and $101,600,000."

Q Is there any corresponding appropriation or expenditure to offset the Social Security taxes? Do those funds have to be invested by the Treasury in some special way or under special appropriations?

THE PRESIDENT: I do not know.

MR. BELL: There is an estimate of supplemental items appearing in the Budget Summary Table. That includes all Social Security appropriations.

Q About how much is the amount?

MR. BELL: We put in a figure of $500,000,000. We don't know what it will amount to. $480,000,000. is the latest.

Q On page XX there is an estimate of $479,000,000.

MR. BELL: It is an appropriation to take care of the benefit payments and grants to states.

(The President continued reading:)

"Expenditures. --The expenditures for 1937 contemplated under this Budget will total $6,752,606,370., or approximately $893,000,000. less than is now estimated for 1936.

"Of the two major categories of expenditure, namely, regular and recovery and relief, allowances for regular activities, including the Agricultural Adjustment Act and Civilian Conservation Corps, amount to $5,649,781,738. as compared with $4,776,233,151. for 1936, an increase of $873,548,587. For recovery and relief, expenditures listed herein are those which will be made from unexpended balances, practically all of which will have been obligated prior to June 30, 1936, and practically all of which have been allotted."

THE PRESIDENT: There isn't any balance in the $4,000,000,000. fund. It has all been either obligated or allotted or hung up on the peg beyond recall.

Q Would that figure of $893,000,000. less, that would be wiped out if Congress appropriates $893,000,000. for new relief in the new fiscal year?

THE PRESIDENT: No, that has nothing to do with the new relief. That is a comparison between the regular expenditures --

MR. BELL: (interposing) That is the total.

THE PRESIDENT: Yes, it would include it; that is right.

Q So you have not included any new appropriation in here?

THE PRESIDENT: That is right.

Q There is another question. The total of such expenditure for 1937 -- page XVIII -- is estimated at $1,102,000,000. Is that expected to be the amount left unexpended after June 30, 1936, under the present emergency fund?

THE PRESIDENT: No, there may be more. It will come in the following fiscal year.

Q This anticipates only the expenditures?

THE PRESIDENT: That is right; yes. (Reading)

> "The total of such expenditures in 1937 is estimated at $1,102,824,632., which is a decrease of $1,766,243,555. from the figure of $2,869,068,187. for 1936.
>
> "In regular expenditures there is included $805,000,000. for interest on the public debt, an increase of $63,000,000. over the same item for the current year; and $580,125,000. for statutory debt retirements, an increase of $28,100,000. The cost of service on the public debt in 1937, therefore, will exceed that for 1936 by $91,100,000.
>
> "Excepting debt retirement and interest, the net increase in expenditures for regular activities is $782,448,587. as compared with 1936. The major part of this increase is accounted for as follows: (a) For financing activities under the Social Security Act, the act levying taxes upon carriers and their employees, --"

the Railroad Act -- (Reading)

> "-- and the Bituminous Coal Conservation Act, $485,000,000; (b) for other new legislation, $125,000,000; --"

part of that is Veterans, isn't it?

MR. BELL: That is right.

(The President continued reading:)

> "-- (c) for increased public works, transferred from emergency

> appropriations, $228,000,000.; (d) for the veterans' adjusted-service certificate fund in order to bring the annual contribution of the Government nearer its actual liability under existing law, $60,000,000; and (e) for national defense, to meet the policy of the Congress and the Executive in making up for the delay by the United States in bringing the Navy up to the strength contemplated by the naval treaties of 1922 and 1930, and to provide replacement and improved equipment and additional personnel for the Army, $193,000,000."

THE PRESIDENT: That was the question you were asking.

Q I do not see any allowances for C.C.C. and A.A.A. in that net increase in expenditures?

MR. BELL: It is being compared for 1936, the figures for which have been adjusted for comparative purposes. We explained that coming into 1937. We have also stated, at the same time, that we adjusted it to 1936 for comparative purposes.

Q Will we find, somewhere in the schedule of expenditures, items corresponding to the $485,000,000. which are required for activities under the Social Security Act, the Bituminous Coal Act, and the Railroad Pension Act?

THE PRESIDENT: Yes, it is in this A-80, or somewhere along there.

Q It appears in the schedule on page XXV.

THE PRESIDENT: (turning to page XXV and going over to page XXVI) On page XXVI, Roman numerals, Schedule 2, item X, which is "Supplemental Items," it is in there.

MR. BELL: We have no estimate in this because it cannot be determined.

THE PRESIDENT: It has to be a general guess, that particular item.

Q May I ask whether this $1,098,000,000. of gross deficit for 1937 was arrived at by deducting $1,103,000,000. for the income for 1936, which was not spent, and charging it up to 1937, when it will be spent, and subtracting this --

MR. BELL: (interposing) It was not derived in that way, but that is the result of your figures.

Q That is the way it works out, isn't it?

MR. BELL: Yes.

(The President continued to read:)

> "In the War Department Appropriation Act for the fiscal year 1935 the Congress adopted a policy of increasing the average enlisted strength of the Army from 118,750 to 165,000 men and toward accomplishing such purpose appropriated an additional $20,000,000. for expenditure during that year. These funds are sufficient to maintain an average enlisted strength during 1936 of approximately 147,000 men. The estimates of expenditure included in this Budget are sufficient in amount to maintain this average during the fiscal year 1937, with the purpose in view of providing in the 1938 Budget the funds necessary to recruit the Army to such strength by the close of that year as will produce an average enlisted strength of 165,000 throughout the fiscal year 1939, the maximum indicated by the Congress. It is felt that this is as fast as the Government should proceed in this matter in the light of the present forecast of fiscal affairs."

THE PRESIDENT: In other words, we are working up in this Budget, gradually, from 118,000 to 165,000.

There is another problem involved there, which is more equipment and more barracks, and we are reaching maximum by the end of the fiscal year 1938 instead of by the end of the fiscal year 1937. (Reading)

> "The contemplated expenditures for the Civilian Conservation Corps show a decrease of $308,383,000. as against estimated comparable expenditures for 1936.
>
> "Deficit and Public Debt.-- The gross deficit for the fiscal year 1937 is estimated at $1,098,388,720., including $580,125,000. for statutory debt retirement, or a net deficit of $518,263,720. It is estimated that the gross public debt on June 30, 1937, will amount to $31,351,638,737., as compared with an estimated debt on June 30, 1936, of $30,933,375,017. The figure for 1937 does not include such amounts for work relief during the coming year as may be determined upon by the Congress."

So there again it will increase that amount by whatever the amount of appropriations for work relief is.

Q May we interpose a question? The Treasury statement shows now the public debt in excess of $30,000,000,000., with approximately better than half of the $4,000,000,000. unspent. That being in excess of the regular Budget in 1936, as that money is spent, will it not increase the public debt by that amount?

THE PRESIDENT: Not necessarily because in the $30,000,000,000. the Treasury has 1½ billion dollars in the general fund. You always have to take the amount in the Treasury into consideration. And this is estimated on the amount in the Treasury free cash balance. Next June, the same amount as last June. It may be more or less. The figures --

Q (interposing) Are these payments to the R.F.C. covered back into the general fund of the Treasury and expended to cover general expenses?

MR. BELL: No, sir. They are used by the R.F.C. for further loans.

Q When the R.F.C. makes a payment back to the Treasury, what happens?

MR. BELL: It goes back into the general fund but they can always draw on us for that additional amount.

Q May I please go back to page XVIII, second paragraph, for justa moment? (Reading)

> "Excepting debt retirement and interest, the net increase in expenditures for regular activities is $782,448,587. as compared with 1936. The major part of this increase is accounted for as follows:"

and then, adding the three figures, that adds up to over a billion dollars?

MR. BELL: You have an item at the bottom taking off $308,000,000.

Q Well, C.C.C. is $246,000,000. and A.A.A. $447,000,000., that would add $745,000,000. more, wouldn't it? I may be stupid.

MR. BELL: C.C.C. expenditures for 1937 will be $308,000,000. less than in 1936.

THE PRESIDENT: Yes, it works out about that way, that if you add up all those things in the second paragraph, it is over a billion dollars, and then, if you deduct the $308,000,000. down in the last paragraph of the page, that works it back to about $782,000,000. (Reading)

> "Appropriations.-- Appropriations recommended in this Budget aggregate $6,400,000,000., including probable supplemental items estimated at $600,000,000., while the appropriations already made and prospective supplemental items for the fiscal year 1936, exclusive of the appropriation of $4,000,000,000. for recovery and relief, amount to $5,146,000,000., an increase of $1,254,000,000. required for the fiscal year 1937 over the fiscal year 1936.
>
> "This increase is due to --"

Q (interposing) May I interrupt you? Is that "probable supplemental items" of $600,000,000. what you included for relief?

THE PRESIDENT: No, that is the Social Security one, Bituminous Coal and Railroad Labor.

Q Is there any more definite figure as to the total of all appropriations, including relief?

THE PRESIDENT: Not including relief. That you get in two months. Everything, including the kitchen stove, but not including relief.

Q How can you figure what the deficit is going to be?

THE PRESIDENT: It is going to be a specific, definite figure, not counting relief. The deficit will be added to by whatever the amount of relief is, recommended and passed.

Q Did you say, in round numbers, what that would be likely to be before, or not?

THE PRESIDENT: You mean counting relief?

Q Did you give us any round figures what the relief would be?

THE PRESIDENT: No. I said if it is less than that $1,226,000,000., it will bring the deficit below the total for the year 1936.

Q Going back to the War Department, will you tell us whether the increase in expenditures for the National Guard accepts Secretary Dern's recommendation to bring up the national strength to Secretary Dern's recommendations?

THE PRESIDENT: There was a recommendation by Secretary Dern to increase the National Guard.

MR. BELL: I don't believe it got in in time to go into the Budget.

Q There is an increase in the Naval Reserve here. I noticed also that recalls your statement -- not your statement but the story that the Reserve might be increased from 25,000 to 150,000.

THE PRESIDENT: There is a very slight increase in the Reserve, not over what the Navy Department recommended but over the first cut I made in the Budget and then, after I had my Naval Reserve Conference, I added some to the Naval Reserve item, but not very much, only a few hundred thousand dollars, as I remember it.

Q The Resettlement Administration is getting $150,000,000. From whence comes that money? From what appropriation?

THE PRESIDENT: From the $4,000,000,000.

Q On the total on page XVI, your figures show that this $2,136,000,000. you have for leeway -- the difference between $3,234,000,000. and $1,098,000,000. -- on the line immediately above, last year -- the current year shows that relief will cost $2,869,000,000. against which you have already set off $1,103,000,000. That would mean --

THE PRESIDENT: (interposing) No --

Q (interposing) I mean, for the following year you have already set off --

THE PRESIDENT: (interposing) Yes.

Q So that if approximately $1,766,000,000. were appropriated in new appropriations for this year, you would have the same amount of money available, the total this year for relief, that was used in the previous year?

THE PRESIDENT: If we spent it all.

Q Yes. Now, isn't there a logical assumption --

THE PRESIDENT: (interposing) You are getting in awfully deep water.

Q Isn't it therefore a logical assumption that, since you say in the Budget Message that conditions will improve and that the relief requirements would be less, that therefore the total amount for relief that would need to be appropriated this year for relief would be less than $2,869,000,000.?

THE PRESIDENT: You are making your guess at your own peril.

Q What I am trying to get at is what the net deficit would be.

THE PRESIDENT: Lots of people are trying to make that guess. The real answer is we haven't any figures. We have only put our 3½ million people to work so recently that I haven't even my own figure in mind. I really have not.

Q In saying that you would send to the Congress estimates for relief, you used the expression of time of two months. Was there any particular significance attached to that time of two months?

THE PRESIDENT: I said I would be in a better position to judge two months from now. That does not mean that the estimates would go in on the third or fourth of March. I talked to one or two leaders and they thought they should have thirty days for full discussion over that amount. Of course none of us has the foggiest idea when Congress is going home. When I put down "two months," I assumed they would be here until the first of April. (Laughter) In other words, if it looks very clear on the first of March that they won't be going home on the first of April, I might defer it a little longer to get a better basis for that estimate.

Q May I ask you a general question, sir?

THE PRESIDENT: Yes, Fred (Mr. Essary).

Q (Mr. Essary) You are beginning to make me a little dizzy. (Laughter) I wanted to ask if you could throw any light on the character of the work relief that would be provided for in this sum. For example, would it be a matter of carrying on a payroll, in some form, the 3,500,000 unemployables, or going beyond that?

THE PRESIDENT: As far as the numbers of people go, that is a thing that I am keeping a perfectly open mind on because I do not know. So far as character of work goes, I think probably the best way to put it is this: As you know, on the allotments that have been made on W.P.A. projects there have been, let us say, in a given unemployment area that was to get, let us say, -- take a round figure -- that was to get a billion dollars, the billion dollars being based on the number of people to be put to work, we have word that the Comptroller General has approved, for that area, projects running as high as 3 and 4 and 5 billion dollars. Then, when they come down to the actual work, they pick out the most useful of those projects, in view of the time of year or the recommendation of the local officials -- in other words, they work with the locality in trying to pick out the best projects for that immediate time and area, so that we have a very large reservoir of projects in almost every part of the country, having given more or less of a check on them already on the recommendation of the local people. You see, in nearly all W.P.A. projects, the original list comes to Washington from the Government authorities of the locality. It makes no difference if it happens to be in a Republican community in the State of Vermont, we still take the recommendation of the local authority, just as we would in a Democratic community in Warm Springs, Georgia, and then again, depending almost 99 per cent on the local recommendations, a lot of projects are recommended, a great many more than we have the money for, and the probability is that if it is carried on another year on the same basis of work relief, we will have all those projects to draw from and we will also add to the list any new projects that turn up.

Q Then, so far as this is concerned, it is confined to Works Progress projects?

THE PRESIDENT: Yes.

Q Mr. President, on page IX, third paragraph, (reading)

> "It is important ..... that no new activities be added to the Government unless provision is made for additional revenue to meet their cost."

Does that have any particular application to any Congressmen who are about to vote for a Bonus Bill?

THE PRESIDENT: No, that is a general statement. We have got to keep the Government solvent, one way or another. (Laughter)

(Continuing with reading of Message transmitting the Budget:)

> "This increase is due to (1) additional appropriations amounting to approximately $610,000,000., including supplementals to be submitted later, required to finance new legislation enacted at the last session of Congress; (2) an appropriation of $246,000,000. to continue the operations of the Civilian Conservation Corps from March 31, 1936, to March 31, 1937; (3) an increase in specific appropriations of $187,000,000. on account of general public works; and (4) increases in the general departmental requirements aggregating approximately $211,000,000., due largely to the increases in the Army, Navy, and the Department of Agriculture.
>
> Existing authorizations for the Federal-Aid Highway System

provide for appropriations of $125,000,000. for each of the fiscal years 1936 and 1937. Under these authorizations $40,000,000. has previouly been appropriated for the fiscal year 1936. Toward the balance of $85,000,000. authorized for that year there is provided under the item 'General Public Works Program' an estimate of $60,000,000., which it is believed will be sufficient to meet commitments maturing during 1937. As to the authorization of $125,000,000. for the fiscal year 1937, language is included in this Budget having for its purpose the cancelation of this authorization for 1937 and making it applicable to the fiscal year 1938. This course appears fully justified in view of the fact that during the fiscal years 1933 to 1936, inclusive, there has been made available from emergency funds a total of approximately $1,192,000,000. for the construction of highways and the elimination of grade crossings, and that from these funds there will be available for expenditure during the fiscal year 1937 a total of more than $250,000,000. in addition to the $60,000,000. provided for in the General Public Works Program, previously referred to. Moreover, roads of secondary classification and farm to market roads are being constructed under allotments of emergency funds in amounts approximating $115,000,000."

In other words, I am saying we are spending a good deal on public roads of various kinds all over the country. (Reading)

"The following table shows the approximate estimate of appropriations required to administer new legislation enacted during the last session of Congress, and also shows the amount of receipts anticipated in 1937 from new general tax provisions."

(The President did not read the table referred to, which was as follows:

	Estimated Appropriations, 1937
Social Security Act----------------------------	$479,689,840.
Railroad Retirement Act------------------------	47,645,000.
Bituminous Coal Conservation Act--------------	1,155,000.
Amendments, pension laws----------------------	45,581,132.
Postal 40-hour week---------------------------	27,326,420.
Elimination diseased cattle-------------------	17,500,000.
Soil conservation-----------------------------	27,500,000.
Agricultural research and extension-----------	11,000,000.
Reduction interest rate, Federal land banks---	10,065,075.
Total-------------------------------------	667,462,467.
Estimated receipts from taxes under the Social Security Act, the act levying taxes upon carriers and their employees, and the Bituminous Coal Conservation Act------------------------	547,100,000.)

The appropriations are $657,000,000. and the estimated receipts $547,000,000. (Reading)

> "Because there has not been sufficient time to plan the organization and methods required, no detailed estimates are included in the Budget for expense to be incurred by the Social Security Board, and by the Bureau of Internal Revenue for collecting taxes authorized by the three new acts heretofore referred to. However, the probable expense has been approximated and is included in the total lump sum of $600,000,000. estimated to cover 1937 supplementals. The necessary estimates covering the remainder of the current year will be transmitted during the early days of the session, together with complete details for 1937. Likewise no estimate for administering the Potato Act has been prepared since it is believed this act should be amended along lines to be recommended by the Secretary of Agriculture, and a supplemental estimate can then be transmitted.
>
> FRANKLIN D. ROOSEVELT.
>
> JANUARY 3, 1936."

which ends the Message on a very high note -- potatoes.

Q Mr. President, is there a figure anywhere for what you expect to realize on assets?

THE PRESIDENT: No, I do not think so. Is there?

MR. BELL: Yes, sir.

THE PRESIDENT: Dan says there is.

MR. BELL: There is only an estimate on the realization of assets that go into the general fund. Wherever an organization gets repayments and can use those repayments, their figures are net, or you find a total.

Q Those assets are over and above what was spent by the same agency. Do those simply go to pay general bills of the Government?

THE PRESIDENT: Yes, they go into the general fund if they are not to be taken out again.

Q Of course they cannot be spent. They can be used but they do not add to the money available?

THE PRESIDENT: No.

Q Don't add to the Appropriations Bill?

THE PRESIDENT: Not unless they cease to be spent and billed out again.

Q On page XV, bottom of the page, last three lines, you say that you estimate the appropriation for the C.C.C. at $246,000,000. and A.A.A. at $499,000,000. It does not coincide with the estimated totals for those two items on the next page, in the table. I assume that the next page is the estimated expenditures and this page is the appropriations?

THE PRESIDENT: Yes.

Q The $250,000,000. left over on roads for 1937, is that included in the $1,000,000,000. left over from public works of 1937?

THE PRESIDENT: Yes.

Q You point out here that the Budget Bureau has reduced the administrative expenses of all agencies taken over. Are you going to do even more -- are you going to reduce them even more?

THE PRESIDENT: Yes.

Q It will be a steady process of reduction?

THE PRESIDENT: Yes. That has been going on since this past fall when we put them under Budget by Executive Order.

Q Are there any agencies which would be brought in --

THE PRESIDENT: (interposing) What I want is to have all emergency agencies of every kind brought in and the independent establishments brought in.

Q That would include Resettlement?

THE PRESIDENT: Yes.

Q Are you going to make any consolidations? Are they being proposed?

THE PRESIDENT: Yes, we are doing a lot of studying on that. That is another story; I think you will have it in the course of the next two or three months.

Q Going back to the District (of Columbia), we have a crisis here in which we have cut the emergency appropriation from $2,000,000. down to $343,000. and then, if you add the amounts, you are still cutting our appropriation down by two-thirds, and at the present time we are in the midst of a local crisis to find money to continue where we are now.

THE PRESIDENT: What is the answer to that, Dan?

MR. BELL: As I recall it, it is the same estimate recommended by the District Commissioners.

Q What? $343,000.? $1,750,000. was estimated. I don't want to take your time but it is an awful cut and we are in a crisis. We are going to ask Congress for $600,000. to take care of us.

THE PRESIDENT: I do not think it is as bad as it sounds; I hope not.

Q On the Social Security taxes, it happens that the estimate of revenue for 1937 is larger than it would be with complete state coverage. I was wondering how many states are being included as having laws in making your estimate?

MR. BELL: I do not recall but I think there were about thirty states last time.

Q Only four have been approved and ten passed on unemployment. It is based on the number that have passed, is it not?

MR. BELL: I don't know. I will have to go into that. These estimates were made not by the Budget Bureau but by the Treasury and I will have to go into that.

Q On the appropriations for C.C.C., shouldn't that be broken down into a deficiency appropriation for this coming year?

THE PRESIDENT: Yes, and of course, if we get permanent legislation to keep the C.C.C. going year after year, then we can do it on an annual basis.

Q You said in addition to this you had relief. Doesn't that also include the rest of C.C.C. and the Potato Act?

THE PRESIDENT: Yes.

Q That is the three items which may go?

THE PRESIDENT: Yes; whatever it is, it can be handled as a deficiency.

Q That inquiry about relief in the District of Columbia, he said that they were reduced from $2,000,000. to $300,000. It has been reduced actually from $2,000,000. to $1,700,000.

THE PRESIDENT: Who asked the question about the District of Columbia? He says it has been reduced from $2,000,000., as the amount, by $300,000., leaving it $1,700,000., which is just what they asked.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #264,
Executive Offices of the White House,
January 7, 1936, 4.05 P.M.

Q (Mr. Storm) Full house out there today, Mr. President.

THE PRESIDENT: Full house -- four of a kind beats it. (Laughter)

Q (Mr. Storm) I found that out to my sorrow on one or two rare occasions.

THE PRESIDENT: I think you have.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news except that Charlie Michelson needs a haircut.

Q Got to economize somewhere in the Committee.

THE PRESIDENT: That is right.

Q Mr. President, what is the policy of the Administration as a result of the A.A.A. decision?

THE PRESIDENT: No news today on that.

Q Mr. President, in your Message you said, "The carrying out of the laws of the land as enacted by the Congress requires protection until final adjudication by the highest tribunal of the land. The Congress has the right and can find a means to protect its own prerogatives."

THE PRESIDENT: That speaks for itself.

Q What do you intend to do about it?

THE PRESIDENT: It speaks for itself. There is a recommendation to the Congress.

Q To keep the lower courts from --

THE PRESIDENT: Follow the language.

Q The language and the Constitution in that respect?

THE PRESIDENT: What I said.

Q Mr. President, may I ask one more question there; at least one? (Laughter) Under your reading of the majority opinion, do you think any Federal farm legislation --

THE PRESIDENT: (interposing) No news on that today, Stevie (Mr. Stephenson).

Q Do you propose to appear before or address the group of farm leaders who have been asked to come here by Secretary Wallace?

THE PRESIDENT: Not that I know of.

Q If we may get back to the quotation from your Message, the last line has been interpreted by some as meaning that there will be a Constitutional issue in the political campaign. Is that a fair interpretation?

THE PRESIDENT: I cannot comment on interpreters.

Q To put the question this way, Mr. President, -- (laughter) What do you think of the Supreme Court decision? (Laughter)

THE PRESIDENT: No, the only news is what you had yesterday afternoon, therefore it is not news. We are, all of us, studying the two decisions. Of course it will require a good deal of study, as we all appreciate, if you read them.

The other news is that we are, of course, going to put in immediately, as soon as we can, just as soon as the thing can be drafted, an authorization of appropriations to carry out in good faith, as a matter of decent morals, the contracts on the 1935 crops of various kinds, which had been entered into. There is only one type of contract that relates to any 1936 crop and that is the winter wheat. Winter wheat, of course, as a few of you know, is put into the ground the autumn before it is harvested;

therefore the winter wheat was contracted for under A.A.A. some time last summer and fall, before the wheat was actually planted. Those contracts were based, if I recall it, on 95% of acreage on the basic acreage amount -- some of you people know more than I do about that, I think it was 95% -- therefore the benefit payments are very small because the nearer you come to 100% the smaller the payments that must be made. The Department of Agriculture is working on the problem of those contracts at the present time. If there is any equity, as there may be a small equity which should be paid to the farmers under those contracts, we will, of course, try to carry out the moral obligation and the contract by obtaining an appropriation from the Congress to pay the amount due on the contract. We are carrying out the moral obligation on the contract.

Q Will that require new taxes, as you mentioned in your Budget Message?

THE PRESIDENT: That I don't know; we haven't considered it yet.

Q Did I understand you to say, "We are all studying the two decisions"?

THE PRESIDENT: Yes, the two opinions. Call them "opinions," that is more strictly accurate.

Q Have you any idea of the amount involved that will be necessary in the appropriations you have just mentioned?

THE PRESIDENT: I don't know.

Q Will that intended appropriation take care of personnel, some 6,000?

THE PRESIDENT: That I don't know; we have not got to that yet.

Q Any decision been reached on the recovery of paid processing taxes?

THE PRESIDENT: No.

Q Do you think you have the power under the law to meet this moral obligation under the decision?

THE PRESIDENT: Oh, without any question.

Q Without any question you can meet this obligation without an Act of Congress?

THE PRESIDENT: You have to get an appropriation first.

Q That would be a definite appropriation?

THE PRESIDENT: A specific appropriation to carry out a moral obligation entered into in good faith last year.

Q Otherwise all the operations of the Triple A are suspended?

THE PRESIDENT: All payments are suspended.

Q Other operations?

THE PRESIDENT: All payments are suspended.

Q That means you are going to pay the winter wheat benefits on 1936, or are you merely studying it?

THE PRESIDENT: That is being studied. The contract was entered into, of course, in 1935. If there is an equity due, depending a little bit on wheat prices, if there is an equity which should be morally paid to the farmer, he should be paid and there probably is a small equity.

Q Is the Three A organization to be suspended?

THE PRESIDENT: I just answered that; there has been nothing determined on that.

Q Has the question been asked whether you anticipate legislation to supplant the N.R.A. and the A.A.A.?

THE PRESIDENT: There again, there is no news on that.

Q Any estimate of how much you will need to meet that obligation you are speaking of?

THE PRESIDENT: No; it is not large, it is comparatively small. For example, most of the -- I suppose most of the corn-hog checks were out last fall and most of the wheat checks are out and I do not know what proportion of the cotton checks on the 1935 crop are out. That is something you will have to find out.

Q The figure of $250,000,000. has been mentioned?

THE PRESIDENT: I do not know; you will have to ask what it is.

Q Are you going to continue your study any longer today or tomorrow with Secretary --

THE PRESIDENT: (interposing) Oh, yes; right along.

Q Mr. President, will we get your talk tomorrow sometime during the day?

THE PRESIDENT: As early as I can get it. I have not written it yet. I will try to get it for you by three or four o'clock in the afternoon.

Q Will you possibly have anything to say about the Triple A decision?

THE PRESIDENT: I do not know; I have not thought of it. I haven't any idea.

Q No clues?

THE PRESIDENT: No.

Q On the good faith proposition, will there be any inclusion in that Act of Congress that will ask for the repayment --

THE PRESIDENT: (interposing) I don't know. I am just talking about the payment to farmers.

Q You don't think --

THE PRESIDENT: (interposing) I have not got to the other. There are so many questions involved that you have to take them up one at a time.

Q Do you think there is any moral obligation in the matter of refunding?

THE PRESIDENT: I do not say -- I have not gotten to it.

Q I would like to respectfully suggest that the position of the Administration might not be quite clear to a number of farmers. Would it be possible to say whether or not the aim of the Administration is to get new legislation to aid the farmers or, if you do not care to say anything about legislation, that you may have some general movement for the benefit of the farmers?

THE PRESIDENT: There is no news on that today.

Q Mr. President, have you anything to comment on the latest Pinchot open letter?

THE PRESIDENT: No. (Laughter)

Q Will you, by any chance, make public now your letter to him, answering the first one?

THE PRESIDENT: No. (Laughter)

Q Are you going to answer this one, sir?

THE PRESIDENT: It will be answered some way.

Q Some way; thank you. (Laughter)

Q Mr. President, may I ask your views on the bonus as modified, whether they have been changed in any way?

THE PRESIDENT: No news on that.

Q Thank you, Mr. President. (Laughter)

THE PRESIDENT: I cannot think of anything else.

CONFIDENTIAL
Press Conference #265,
Executive Offices of the White House,
January 10, 1936, 10.55 A.M.

THE PRESIDENT: Good morning. Sorry to keep you waiting but I have been getting out a new Proclamation.

Q News!

THE PRESIDENT: Gold -- the stabilization fund.

Q Did you notice that Mr. Michelson has his hair cut?

THE PRESIDENT: (addressing Mr. Michelson). Get up and take a bow.

(Mr. Michelson did so.)

MR. DONALDSON: All in.

THE PRESIDENT: I want to tell you, who cannot see in the back of the room, that that was Charlie Michelson taking a bow on his haircut.

The only news is that I have signed this morning the Proclamation extending the Gold Reserve Act of 1934, establishing the stabilization fund, extending it for one year.

Q Mr. President, how about the section of the Act which allows you to change the gold content of the dollar?

THE PRESIDENT: Section 10 -- the only way I can answer it is this: that Section 10 says, "All powers conferred by this section" -- this is paragraph (c) -- "shall expire two years after the date of enactment of this Act, unless the President shall sooner declare the existing emergency ended and the operation of the stabilization fund terminated; but the President may extend such period for not more than one additional year after such date by proclamation recognizing the continuance of such emergency."

Now, what I did was to act under that.

Then we have the "whereas" clause, "WHEREAS, such emergency which existed on January 30, 1934, the date of approval of said Gold Reserve Act of 1934, has not been terminated by international monetary agreement or otherwise, but, on the contrary, continues and has been intensified in divers respects by unsettled conditions in international commerce and finance and in foreign exchange" -- therefore I extended it for a year.

I don't know about that other section. I will have to find it.

Q When would that Act have expired?

THE PRESIDENT: The 30th of this month. So this extends it for one year.

Q You say you don't know about the section with respect to the gold content?

THE PRESIDENT: No; frankly, I would have to look it up.

Q In that connection, there have been stories from abroad speculating that there will be some change, that some change in the value of the dollar is being considered.

THE PRESIDENT: I think the Secretary of the Treasury answered that yesterday afternoon.

Q Mr. President, do you still stand on your statement of last October 25th, relative to agriculture?

THE PRESIDENT: What was that?

Q A permanent program.

THE PRESIDENT: Yes. If you want a lead about agriculture, I think probably it would be worth while to bring out certain responsibilities that necessarily devolve on me.

I have to think of agriculture from the point of view of forty-eight states, not separately but as a part of the Nation. In other words, there is no question as to what my duty as President is, and that is to view agriculture as a national problem.

The reason I am saying this is that, at the present time, as a result of the decision, a good many of the old suggestions that were made away back, going back as far as the earlier days of President Coolidge's administration, are being revived. There is, for instance, a good deal of discussion, to bring it down to a practical problem, a good deal of suggestion that we should subsidize the export of certain crops. Of course, if you once begin to subsidize the export of certain crops, you subsidize the export of a great many crops and eventually of all crops. And because I have to think of it nationally, rather than think of agriculture as a local problem, I have to think of the implications of what would happen if, by an export subsidy of some kind, we encouraged the growing of a very vastly increased total of agricultural production.

You can take any number of examples. For instance, wheat: We never had very much of a problem on wheat until, well, the past generation when dry farming came in, and with the advent of dry farming, the old buffalo grass was plowed up. It was not plowed up in one county or township, it was plowed up in a great many states and we all know the result of that.

With the advent of modern machinery and a certain amount of capital, you could go in and drive a furrow in buffalo grass country ten miles long before you turned around. The result was what we all know, that a very light soil was turned up, the grass was plowed under and disappeared, and they started in to raise wheat. Because of the great area that each farm could be cultivated in, the large size, the yield per acre, was not the main consideration. A man could make money on wheat at a reasonable price if he only got a yield of ten or twelve bushels to the acre. He could still make money. Of course ten or twelve bushels an acre is nothing, but nevertheless it paid to do it if wheat was paying a big price.

What was the result of this plowing up of land that had never been plowed up before in all history? Dust storms began and they have been getting steadily worse year by year. The result is that we have in this country an area which is subject to dust storms. This was caused solely by the fact that we were using land for the wrong purpose; instead of using it for pasture, we are using it for wheat.

Now, what is the area? It isn't just one state, it is the Panhandle of Texas, Western Oklahoma, Western Kansas, Western Nebraska, Western South Dakota -- just speaking from memory -- Western North Dakota, a large portion of Montana, Eastern Colorado and Northern New Mexico.

Now, the area in square miles I don't know, I never figured it out. But, thinking of it in terms of the map, that area is probably as large as all of New England and all of New York and all of New Jersey and all of Pennsylvania put together. That is a tremendous national area.

Now, if we go in for a national agricultural policy that encourages the plowing up of that land again -- and we are trying to take it out from being plowed -- it means that people will go in with modern machinery and, because of some kind of an export subsidy, it will pay them to plow it up again. And the dust storms will continue and we will have -- we will approach much more quickly to what we have all been worrying about, making that area a desert on which nobody can live.

Now, the same thing is true of cotton. If we were to give an export subsidy, it would mean anywhere you would go that people would say, "Domestic prices are all right, the export prices are all right, too; the more I grow the more money I make," and the average cotton farmer in the Southeast, let us say, will increase his land and start going up on the hilltops and will begin planting again land that ought to be in pasture or land that ought to be in woods. The result will be that all through the cotton area you will have an increase in the amount of soil that runs off to the ocean.

In other words, to put it the most simple way, we must avoid any national agricultural policy which will result in shipping our soil fertility to foreign nations. I think probably that is the best way of putting it.

Q Can we put that in quotes?

THE PRESIDENT: Yes, you can put that in quotes. We must avoid any national agricultural policy that will result in shipping our soil fertility to foreign nations. We have had so many lessons in that in the past that it seems perfectly clear.

Now, of course it is very attractive to say, "We can go ahead and raise any quantity at all of any crop with a certain definite export market caused by a Congressional subsidy," and a lot of people will be for it, but not the thinking farmer, and more and more of them are thinking all the time.

The people who probably are most actively for it are, let us say, the transportation companies, the railroads, because, of course it means more business for them and it is very human that they should think about the railroads ahead of soil fertility or the future of the Nation. That is perfectly human. To the steamship companies it means carrying more, and it is perfectly reasonable and natural that they should think in terms of more bulk agricultural freight than about the future of this country. And it is very reasonable that the warehouse people should seek greater crops. It means that they will have more crops to put into their warehouses. It is very natural that commission merchants should think of greater crops because the bigger the crop the bigger the commission. And it is reasonable also that the commodity exchanges should be in favor of bigger crops.

In other words, the pocketbook, naturally, has a very definite influence on people who are engaged in some particular line of handling farm products, so that is one of the things we have to think of.

I think that covers the thing pretty well. I have tried to say it in as simple terms as possible.

My position is that I have to think of the future of the country and it seems pretty clear from the teachings of history that absolutely unlimited production -- not merely in two or three crops because if you started with two or three you would eventually get a subsidy on all crops -- will result in the loss of American soil fertility in a generation or two, and I believe that we have to think ahead.

Q That seems to point to something in the nature of the allotment plan or --

THE PRESIDENT: (interposing) No, I was just thinking out loud. We haven't come to any plan yet. We are still talking it over, as you know, but undoubtedly we will try to get some legislation at this session which will carry out in some way the general thought of seeking to maintain or perhaps to retain and regain soil fertility because we have lost an awful lot of it and, at the same time, keep the price for American agricultural crops up to a high level.

Q You do not agree that the equalization feature would eliminate the objection to the subsidy idea? Some of the advocates seem to think so.

THE PRESIDENT: That is a question of opinion. They are all talking about it.

Q Do you think you can do this by an Act in Congress?

THE PRESIDENT: That is what we are trying to do.

Q In regard to your remarks on the export debenture plan, and so forth --

THE PRESIDENT: (interposing) I haven't mentioned --

Q (interposing) On the theory you mentioned the plan. (Laughter) Let me put it that way. Would it be possible, in your opinion, to subsidize the export of a limited amount of each crop so as to avoid the inducement to plow up additional land?

THE PRESIDENT: If I were a dictator, it probably could be worked. That is the best answer to that.

Q Have you found a loophole in the Supreme Court decision which would permit you to make payments to farmers?

THE PRESIDENT: We are really discussing the whole thing. It really, honestly, is in the discussion stage.

Q Has the purchase of submarginal land ever been challenged as unconstitutional?

THE PRESIDENT: I don't know; I don't think it has. You had better ask the Attorney General. He has an awful lot of suits on his hands. I don't think it has.

Q This is in line with what you gave us on the national farm program: Doesn't it come down to this, that no national or Federal plan of getting the price up to the farmers is possible without crop control? Isn't that stating the same thing in another way?

THE PRESIDENT: Practically, yes; in some form.

Q In other words, you have got to compel a farmer to cooperate?

THE PRESIDENT: Unless you go to the theory of subsidizing exports and having unlimited production.

Q Would farm machinery manufacturers be among those that would like to see as large production as possible?

THE PRESIDENT: I doubt it; I don't know. I have never asked. You know, farm machinery manufacturers have come to the conclusion, I think pretty well, that the more permanent agricultural prosperity is, the better it is for them. It keeps their business running at a more stable rate, year in and year out. They are opposed to tremendous fluctuations in farm purchasing power. They would like to see a farmer buy a gang plow with a certain knowledge that three years or five years from now, if it was worn out, he could buy another one.

Q If we subsidize exports, wouldn't foreign nations be apt to regard that as dumping and restrict imports?

THE PRESIDENT: Most of them do restrict at the present time, nearly all.

Q That would make the plan impracticable, if they put restrictions of that sort on?

THE PRESIDENT: I think it would be well worth your while to find out the number of European nations that import our farm products today that have definite quotas. I think you will find out that a very large number of European nations have them.

Q Would you mind one more question about the stabilization fund extension? That extension applies only to the stabilization section of the Federal Reserve Act, does it not?

THE PRESIDENT: I think so. You will have to look up the law. All I have got here is this Proclamation that relates to Section 10.

Q There seem to be two divisions in the law.

THE PRESIDENT: You had better ask the Attorney General, it is beyond me. This is intended, in other words, to keep the $2,000,000,000. stabilization fund going for another year. Now, what the further implications are, I don't know.

Q I was wondering if it would be proper to ask whether it was also intended to keep that remaining margin of possible dollar devaluation.

THE PRESIDENT: What?

Q Is it also possible to keep that additional margin of gold dollar devaluation, which could be kept for one more year?

THE PRESIDENT: You will have to check up on that. That is something I cannot answer offhand. I haven't thought about it and I haven't got a copy of the Act.

Q Is there any prospect of immediate negotiations for international currency stabilization?

THE PRESIDENT: You had better ask the Treasury Department.

Q Can the program of soil fertility you describe be made applicable to the 1936 crop?

THE PRESIDENT: I hope so.

Q Are there any more of these agricultural matters that are going to be announced in here today?

THE PRESIDENT: No, just Cabinet meeting today, that is all.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #266,
Executive Offices of the White House,
January 14, 1936, 4.10 P.M.

Q (one correspondent speaking to another) Hearst's International -- it really should be in front of George Durno.

THE PRESIDENT: Where is George? I will give this (news) to Stevie (Mr. Stephenson).

Q (Mr. Durno) No, I do not think I will pass that up.

THE PRESIDENT: Yes, I think George needs a little help. You know we have not pulled off anything on George for a long time. Don't you think he is due? You should think up something on him.

Q (Mr. Stephenson) On Fred.

THE PRESIDENT: We have had the Senator (Mr. J. Russell Young) on the mat several times.

Q (Mr. Young) Every day.

THE PRESIDENT: But we have not had George.

Q (Mr. Fred Storm) I got enough at Warm Springs to last me for a long time, when they put the dummy in bed and he (indicating George Durno) was the guilty party.

THE PRESIDENT: Was he the one that did it?

Q (Mr. Storm) He engineered the whole thing.

THE PRESIDENT: He is one of those quiet fellows that starts the trouble and then disappears.

Q (Mr. Durno) I got my fingers crossed.

MR. DONALDSON: All in.

THE PRESIDENT: I have been making some inquiries in the front row and

George Durno says there is no news, so that goes with me. (Laughter)

Q Before the highbrows get to work on you, may an ordinary reporter ask a question? (Laughter) Did you ask the fire authorities to inspect the White House today -- the fire inspection -- is that part of your --

THE PRESIDENT: (interposing) Did they? I did not know they were doing it.

MR. EARLY: They are Federal men.

THE PRESIDENT: They are Federal men. We have two fireplaces that smoke. Maybe it is part of that.

Q I understand that Senator McAdoo came down this morning to discuss this embarrassing problem that has arisen in California in the Democratic ranks. Did you say anything about it?

THE PRESIDENT: No.

Q You did say something?

THE PRESIDENT: No. It is up to California.

Q Secretary Morgenthau is quoted as having said today that you would not sign a cash bonus bill. Is there any significance in his specification?

THE PRESIDENT: I had not heard it, but wasn't that in executive session? I think it was in executive session and, furthermore, I had not heard of anything that was not in it. They haven't even told me.

Q They also said $2,000,000,000. for relief, additional.

THE PRESIDENT: Who leaked? (Laughter)

Q That would be telling. (Laughter)

Q I think it is well known that a certain Senator said he would not be bound by the rules and did talk, and he said this would require the raising of about $11,000,000,000. by the Treasury during the coming year.

THE PRESIDENT: Eleven billion?

Q I think that was it.

THE PRESIDENT: It shows what comes out of executive sessions. (Laughter)

Q That includes about six billion of refunding though.

Q Yes.

Q Any comment on the London Naval Conference?

THE PRESIDENT: No, I have not. All I know is what I read in the paper this morning. I have not seen anything from London since two days ago. I suppose there is probably something in the State Department by now but it has not come in to me yet.

Q Have you made any study of Senator Copeland's new ship subsidy Bill?

THE PRESIDENT: No, I have not had time to read it. I got a copy the other day.

Q Have you made a study of the Nye-Clark Neutrality Bill?

THE PRESIDENT: I have not seen that; it has not been sent to me.

Q On the bonus, do you care to comment on this proposal to pay the bonus with baby bonds?

THE PRESIDENT: No.

Q During recent weeks there have been numerous charges of political influence and various other scandals in the Communications Commission. Have they been brought to your attention?

THE PRESIDENT: I have not read anything except what is in the papers and I have not seen any of the Commissioners.

Q Have you got around to the answering of the Pinchot open letter? (Laughter)

THE PRESIDENT: No. As a matter of fact, I sent one paragraph in to Harry Hopkins to look into it.

Q Would you mind telling us which paragraph that was?

THE PRESIDENT: I could only tell you off the record that it was the only paragraph that contained any charge that could possibly be investigated. I will have to tell you that off the record. I have not answered the letter and I do not know whether I can. It depends on what Harry Hopkins finds out about that one paragraph that could be looked into.

Q You have not received a report from Harry?

THE PRESIDENT: No.

Q Have you seen a report from an organization called the "Committee for Economic Recovery by Housing", supposed to have been made to the White House in the last few weeks?

THE PRESIDENT: I think there have been several made.

Q This was supposed to be the third in a series of that organization. Have you any comment?

THE PRESIDENT: Of course they are very voluminous and I sent them all over to Assistant Secretary Peter Grimm at the Treasury Department. I haven't had any report from him. He is acting as a sort of coordinator with respect to these various housing problems of the future and will probably have a general conference of all the Federal housing agencies within a comparatively short time -- in the next couple of weeks -- in order to get final factual data on the housing needs, and possibly -- I say possibly advisedly because I cannot say definitely until we get the factual report -- on some kind of program to help on a type of housing which seems very difficult to get going without some kind of Federal help. In other words, I am referring to the type of new housing that comes within the pocketbooks of people who are earning less than, say, $2,500 a year and, of course, that means on both a population and need basis.

The figures that are coming in on new house building, both individual houses and apartments, especially in the case of the individual houses, show that great progress is being made on houses that cost $5,000 and up but, of course, people who have families and are earning less than $2,500 a year find it pretty difficult to commit themselves for houses that cost over $5,000. This is just guesswork and probably pretty conservative guesswork, but probably 90% of the people who need better housing conditions and especially home ownership cannot afford to pay for houses that cost more than $5,000, yet that proportion of the population runs to somewhere around 90% of the entire population of this country.

So that is the problem and nobody has got the answer for it yet. They are studying it and hope to get something out before we get through.

Q What have you done on interest charges?

THE PRESIDENT: Of course that is a portion of the problem, but only a portion. Construction itself is still a very great problem. If you don't mind my talking off the record, I can explain what I mean, but this has to be off the record because it involves a specific case.

The last time I saw Owen Young I went into it with him. The GE (General Electric) has been working on a factory-built house that has all the modern conveniences and he said that the lowest they had got the factory house down to was $4100 or $4200. Of course that is too high. As he put it to me, he said, "If you and I wanted to build a Ford car in the local machine shops and we went to Mr. Ford and got complete designs for that car and turned it over to the local machine shop to be done by perfectly skilled mechanics, it would cost $2000 or $2500, whereas you can buy it from Mr. Ford for $500."

So, what we are working for and hoping for is that private industry will be able to devise some form of human habitation that will bring better housing more closely within the reach of these 90% of the population I am talking about. Nobody has got the answer yet.

Q Will the Government be willing to subsidize mass production of such houses with a guaranty?

THE PRESIDENT: No use to talk about mass production because nobody has ever discovered it.

Q How many rooms did this $4500 house have?

THE PRESIDENT: I don't know.

Q Could we take the latter part of that statement you made and put it on the record, the expression of the hope?

THE PRESIDENT: Yes, that is all right.

Q Would the possible tax conference you have been talking about help to reduce the tax cost and thereby --

THE PRESIDENT: (interposing) That is a factor in the long-range payment. Of course, it is not a factor of the original cost of the house itself.

Q Could you comment on the farm bill as it is taking shape?

THE PRESIDENT: No, it is still taking shape.

Q It has not taken much shape. (Laughter)

Q In that connection, are you going to send a Message to Congress?

THE PRESIDENT: I don't know yet; maybe.

Q Do you have any comment to make on Senator Norris' statement before the Agricultural Committee this morning that no legislation for production control could meet the test of the Supreme Court so long as Monday's decision stands?

THE PRESIDENT: I haven't seen that. Did he say that?

MR. EARLY: Yes, sir.

THE PRESIDENT: I hope he is overly pessimistic.

Q Has any decision been reached on the processing taxes paid but not impounded?

THE PRESIDENT: No.

Q Mr. President, has any decision been reached on A.A.A. personnel?

THE PRESIDENT: Somebody told me that the Comptroller General has handed out a decision. I have not even seen it.

Q That would just permit the continuation in the pay of persons not engaged in any activities proscribed by the court. Has any Executive decision been made?

THE PRESIDENT: No. Of course the hope on that is that we will get legislation for the benefit of agriculture and, of course, in the meantime we have a very excellent staff and the fewer that it is necessary to lay off the better it is. We hope to get legislation pretty soon.

Q Even if you got the cheap housing, wouldn't you have the question of mass population and expensive land?

THE PRESIDENT: Yes. This is becoming a philosophical discussion. It is perfectly true.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #267,
Executive Offices of the White House,
January 17, 1936, 10.40 A.M.

THE PRESIDENT: A very dull day.

Q We are all looking for big news, Mr. President.

Q The philosopher is here and has some questions.

Q I am not going to ask any.

THE PRESIDENT: We will have a philosophical discussion some day; it is all right.

Q Can I come?

THE PRESIDENT: Yes, sure.

MR. DONALDSON: All in.

THE PRESIDENT: What is the news?

Q That is what we would like to know.

Q What is the handout?

THE PRESIDENT: There isn't any. I have to work it out.

Q There is still a lot of speculation on your attitude toward the bonus?

THE PRESIDENT: I suppose there is. There was last year and there was the year before. This is the third year.

Q What was the reply?

THE PRESIDENT: There was speculation last year and there was speculation the year before. This is the third year.

Q Shall we guess the same way we did last year? (Laughter)

THE PRESIDENT: You are too obvious, Stevie (Mr. Stephenson).

Q Do you want to discuss the outcome of the farm conference yesterday afternoon?

THE PRESIDENT: I am in a difficult position on that because I frankly, really and honestly haven't read President Hoover's speech last night, except the headlines. I did read the headlines, so anything I say on farming may be interpreted as a reply to him and of course I am not making a reply to him. That is cramping my style because I would like to talk agriculture, but I suppose it would be considered a reply.

I am sort of cramped. I haven't read the President's speech.

Q Didn't you sit up last night to hear that?

THE PRESIDENT: No. (Laughter) No, I had what they call a Diplomatic Dinner.

Q Do you think the Federal Reserve Board names will be coming out soon?

THE PRESIDENT: Very soon.

Q This week?

THE PRESIDENT: Not until the beginning of next week.

Q What do you think of the reflections cast upon Woodrow Wilson by the Senate Munitions Committee?

THE PRESIDENT: I have not read them.

Q Do you care to discuss the breakdown of the London Naval Conference for background?

THE PRESIDENT: I don't think I can. I think you have practically everything there was, the various statements made by the British and by the Americans and the Japanese cover it pretty well. There is not anything much which can be added. It is quite clear.

Q Mr. President have you had any reply on that Philadelphia situation from the Pinchot letter you sent over (to Mr. Hopkins)? (Laughter)

THE PRESIDENT: No.

Q Mr. President, would you care to talk on farm relief if we point out that you are not replying to Mr. Hoover?

THE PRESIDENT: Yes, I would just as soon do that. As a matter of fact what I was reading over when you came in were two things; first, the Soil Erosion Act of 1935 and, secondly, the statement I made and gave out on October 25 of this past year. I think probably the easiest thing to do is to read the statement of October 25th over, because that gives you a pretty good picture, a pretty good lead as to what the objective has been for a long time. In other words, this isn't anything new.

This statement of October 25th last year referred to the broad policy in relation to agricultural adjustment and of course on that I want to point out again that adjustment does not mean only adjustment downward, it means adjustment upward as well. If a man takes a quarter of his acreage out of one crop and puts it in another crop, he is adjusting one crop downward and adjusting another crop upward. It is an adjustment that is both ways.

I said there were two points and, mind you, this was away back in October.

The first was to carry out the gains already made, thereby avoiding the danger of a slump back into the conditions brought about by our national neglect of agriculture. Secondly, to broaden present adjustment operations so as to give farmers increasing incentives for conservation and efficient use of the nation's soil resources. (Reading)

> "The time may come when the Triple A will prove as important in stimulating certain kinds of production as it has been in removing recent burdensome surpluses.
>
> "Tens of millions of acres have been abandoned because of erosion. This jeopardizes both consumer and producer. Real damage to the consumer does not result from moderate increases

> in food prices but from collapse of farm income so drastic as to compel ruthless depletion of soil. That is the real menace to the nation's future food supply and has caused farmers to lose their homes. It has hastened the spread of tenancy. It lies at the root of many serious economic and social problems besetting agriculture.
>
> "Already the adjustment programs have made important gains in conservation and restoration of soil fertility. Many millions of acres which farmers have signed contracts to divert from surplus production" --

this, of course, was when the contracts were legal --

> "are being devoted to legumes, pastures, hay and other crops which fertilize the soil and protect it from blowing and washing away.
>
> "The long-time and more permanent adjustment program will provide positive incentives for soil conservation."

And then I spoke of the more simplified and more flexible program of the future and how it can serve to iron out the succession of extreme market gluts and shortages which in the past have wrecked the structure. And I said further, "I can think of nothing more important to the permanent welfare of the nation than long-time agricultural adjustment carried out along these lines."

That was true last October and it is true today with the exception of the contract method of soil conservation.

The Soil Conservation Act seems to point a way to carry out the broad purposes so we are proceeding on that theory.

Q Does that not also contain a contract method?

THE PRESIDENT: No.

Q Doesn't that permit the Government to lease land?

THE PRESIDENT: Yes.

Q And thereby withdraw it from production?

THE PRESIDENT: The bill says at the beginning,

> "It is hereby recognized that the wastage of soil and moisture resources of farm, grazing and forest lands resulting from soil erosion is a wastage of national welfare, etc. The Secretary of Agriculture is authorized to conduct surveys relating to the character of soil erosion, the preventive measures needed, to carry out preventive methods, including but not limited to engineering methods, changes in use of land, to cooperate and enter into agreements with and to furnish financial or other aid to any agency, Government or otherwise, or any person subject to the conditions necessary, to acquire lands or rights or interests therein by purchase, gift, condemnation or otherwise, whenever necessary for the purposes of the act."

The rest is administration.

Q That mentions an agreement. That is out, isn't it, under the AAA decision? You can't have conditions?

THE PRESIDENT: That I don't know. I don't think that has been checked. It can be done by lease.

Q Does the present statute provide you with sufficiently broad legislative --

THE PRESIDENT: (interposing) It may be necessary to amend very slightly to clarify one or two of the provisions. It would be a very simple amendment.

Q How do you raise the money for this?

THE PRESIDENT: That we haven't got anything on as yet.

Q Do you propose to amend the Act to provide for additional payments to farmers?

THE PRESIDENT: You mean this Act?

Q Yes.

THE PRESIDENT: As I said, very, very slight amendments.

Q If you lease the land from the farmer and thereby withdraw production, the rental money you pay to the farmer would be about the same thing as the benefit payment under the AAA?

THE PRESIDENT: That would depend entirely on the character of the land. It would not be in every case.

Q Any estimate of the cost of this program?

THE PRESIDENT: No.

Q In case a man had any submarginal land on his farm at all, this would not give you the means for leasing it?

THE PRESIDENT: Yes, but his land might be running out. It might not be submarginal today, but it might be tomorrow.

Q Or some time in the future?

THE PRESIDENT: Yes. One of the things that needs clarification, speaking about amendments: Obviously the purpose of this, although it is not entirely clear, is to prevent the loss of soil fertility. Now, of course, very few of you know anything about farming (laughter) but you can imagine perfectly well a field -- let us bring it down to a field -- where there isn't erosion in the sense that the soil is running off of the field into the creek. In other words, it is not something that when it dries or when it is deposited when the water stops perhaps a mile down, you can pick up in your hand. Nevertheless, that same field may be having a condition where the chemicals in the soil are being carried away. You can't pick up those chemicals in your hand. So, soil erosion, when you come down to a matter of actual fact, may be in one of two forms, the tangible thing that you can pick up in your hand, such as a handful of mud, or it may be the chemicals that are being washed out of the land. For instance, you take Hyde Park: It is an entirely different proposition from down in Georgia. In Georgia Warm Springs the soil itself actually washes off the cultivated fields and eventually you get these great furrows, gullies. At Hyde Park we don't get any gullies except on some of the higher hills. But if I don't rotate crops at Hyde Park, if I keep on planting corn year after year in the same field, after a while I don't get any corn crop. There are two causes, the first being that the corn itself takes the minerals out of the soil, and the second is that when that land is never put back into pasture, the chemicals in that particular field run off with the rains. That does not make a gully because chemicals are almost intangible; you cannot pick them up in your hand.

That is one of the questions with respect to this Bill, whether it is clearly enough stated that soil erosion is not limited to the physical running off of the soil in the form of ground. Is that clear?

Q On the other basis of interpretation, there would be erosion on every farm in the country.

THE PRESIDENT: Yes, possible erosion.

Q Wouldn't it be actual, because you can't keep growing the same crop on any land without having it deteriorate?

THE PRESIDENT: That is perfectly true.

Q As a practical proposition, who will determine, and how, what land is eroding and what is running away?

THE PRESIDENT: Oh, the same people who are doing it now, the county agents helped by the state colleges of agriculture. Put the entire system under the Department of Agriculture.

Q Would you care to state whether you believe this program would be better in the long run than the original AAA?

THE PRESIDENT: If you read the October 25th statement you will see that this is carrying out what AAA started to do, which was supplemented by the Soil Erosion Act. That is nothing new; no new policy. It is carrying out what we started two years ago.

Q Have you any estimate of the number of acres of crop land which will be taken out of commercial production?

THE PRESIDENT: Probably not take any. In other words, as I said before, if you have a hundred acres all planted to one thing and if you take twenty-five acres and devote it to something else, that does not take it out of production. If you put a field into pasture it does not take it out of commercial production.

Q With the exception of these minor amendments to the Soil Erosion Act, you do not expect to ask for legislation on the subject?

THE PRESIDENT: On the farm end of it. I am not talking about the tax end. That is a different thing. I think we can probably get by with these small amendments and with appropriations.

Q You will have to ask for new taxes?

THE PRESIDENT: That is an entirely different subject.

Q Do you agree that the eleven and a half billion of new financing will jeopardize the bond market?

THE PRESIDENT: Nothing on the controversy on the Hill.

Q No idea of production control in this new conservation act?

THE PRESIDENT: It is not a production control question. It is a question of working for a well rounded agricultural development for the nation.

Q Are you considering a suggestion that came from the Hill to tax the processers for the amount they have paid so far, tax them to get that money?

THE PRESIDENT: Was that in the paper this morning. I haven't read it.

MR. STORM: Thank you. Everybody is stymied. (Laughter)

CONFIDENTIAL
Press Conference #268,
Executive Offices of the White House,
January 21, 1936, 4.05 P.M.

Q We could do with a little of Miami, Mr. President, with all this ice and snow.

THE PRESIDENT: Yes. Gosh, it would be good to get down there. The only thing Mac (Mr. McIntyre) wants is to get down there before the track closes.

Q Are we going to make Miami this year?

THE PRESIDENT: I hope so.

MR. DONALDSON: All in.

THE PRESIDENT: This whispered consultation in the front row is strictly private. The people want to know when the race track closes in Miami and when we go down there.

Q How about it, Mr. President?

THE PRESIDENT: I hope so.

I do not think there is any news today.

Q Can you make any statement on the conference of farm leaders, just closed?

THE PRESIDENT: Just continuing. We hope there will be a bill in the next two or three days. That you will have to find out from the insiders.

Q Did you say two or three days?

THE PRESIDENT: Yes.

Q Mr. President, can you tell us whether you discussed the question of the retroactive processing tax?

THE PRESIDENT: No, we were talking about the other end of it today.

Q You did not discuss that?

THE PRESIDENT: No.

Q Do you plan to have the declaration of [principle] principal and policy in the Soil Conservation Act broadened?

THE PRESIDENT: You will have to find that out from the gentleman on the Hill who introduced the bill.

Q I wonder if we could ask one more question on that line: Did the discussion include the domestic allotment plan as provided in the original Bankhead Bill?

THE PRESIDENT: I think you will still have to ask them on the Hill.

Q Did you discuss the Supreme Court decision on the refunding of taxes?

THE PRESIDENT: Only very briefly, the implications of the motion on Monday and its effect on the case of Bailey vs. George, which you will have to look up because I am not going to discuss constitutional questions without the Attorney General present.

Q Did you reach any conclusion on the implications?

THE PRESIDENT: No, just discussing the implications of the apparent reversal of Bailey vs. George which, incidentally, also concerns Section 3224 of the Act of 1867, which is of very great importance.

Q Mr. President, one question on that, in that connection: Isn't it a fact that in the MacArdle, or preceding the MacArdle case, Congress actually asserted its authority to restrict the jurisdiction of the Court?

THE PRESIDENT: That was the 1867 statute I was referring to.

Q Then Congress can restrict the authority of the Supreme Court?

THE PRESIDENT: You will have to read Bailey vs. George where, apparently, the right of Congress was upheld and, apparently, this last decision reverses Bailey vs. George.

Q May I ask whether you have seen the California Law Review for, I believe, last September, which discusses a number of similar cases?

THE PRESIDENT: No.

Q Do you recall old man Bailey's initials?

THE PRESIDENT: Yes. The Bailey concerned was Josiah Bailey himself, but the George concerned was not Walter George -- what George it was, I do not know.

Q Can you tell us what you discussed with Chairman Prall of the Communications Commission yesterday?

THE PRESIDENT: I did not see him.

Q He did not come over?

THE PRESIDENT: No.

Q Can you tell us if you will support the recommendation of Coordinator Eastman for a five-year extension of his office?

THE PRESIDENT: I have not had that.

Q His report was made to you and to the Congress?

THE PRESIDENT: I have not seen it yet.

Q You could not say --

THE PRESIDENT: (interposing) No; I have to see it.

Q Can you tell us when the nominations for the Federal Reserve Board will go up?

THE PRESIDENT: Within the next couple of days, I hope.

Q There is a report that Joseph Carney, of Boston, would be one member?

THE PRESIDENT: There were fifty-seven.

Q It is a pretty good guess to say that Joe Broderick will be one?

THE PRESIDENT: That is one of fifty-seven. I counted them.

Q Can you tell us if Congressional leaders and leaders elsewhere are in agreement on the situation to be solved by the Soil Conservation Act?

THE PRESIDENT: I think so.

Q Can I ask another question on the constitutionality? I wonder whether you care to comment on your reference to Congress having the right to and being able to find a way, whether that is an indication that you hold with Teddy Roosevelt and --

THE PRESIDENT: (interposing) That question was asked two weeks ago and there wasn't any answer.

Q Do you care to comment on the Bonus Bill?

THE PRESIDENT: No.

Q Thank you, Mr. President.

THE PRESIDENT: I wish I could think of something else. It is very dull.

CONFIDENTIAL
Press Conference #269,
Executive Offices of the White House,
January 24, 1936, 10.40 A.M.

Q We got the Passamaquoddy philosopher back with us.

Q (Miss Craig) I will never live that down.

THE PRESIDENT: They call them smoked herrings up there, all the old gang that sits around the grocery store in Welch Pool. The name of that gang was "Smoked Herrings."

Q Where was that?

THE PRESIDENT: Campobello.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news.

Q Mr. President, the stock market has been going up in the last couple of days, apparently on the strength of reports that a silver revaluation policy is about to be announced. Anything you can tell us on that?

THE PRESIDENT: Do you want a real tip, Fred?

Q (Mr. Storm) Yes, sir.

THE PRESIDENT: Keep out of it.

Q In other words, there won't be any new policy?

THE PRESIDENT: I have nothing to say on it at all. You can say I never heard of it. It is just another one of those things, as they say.

Q Any decision been reached on taxes for the soil conservation program?

THE PRESIDENT: No; still studying it.

Q Any general ideas on it?

THE PRESIDENT: No.

Q It appears from this morning's paper that the Senate Subcommittee on agriculture held the new agricultural plan unconstitutional.

THE PRESIDENT: It depended on which paper you read.

Q I read several.

THE PRESIDENT: They all had different stories. I was very careful to note it, therefore I cannot comment on it.

Q Are you going up on the Hill in the next few days? (Laughter)

THE PRESIDENT: I thought I might take a drive Sunday afternoon.

Q When may we expect action on the bonus?

THE PRESIDENT: That I cannot tell you; in other words, I won't tell you.

Q This week --

Q (interposing) Can you tell us whether you are going to sign or veto the bill?

THE PRESIDENT: No, Stevie (Mr. Stephenson).

Q Will you discuss Governor Davey's harmony visit yesterday?

THE PRESIDENT: No. He is coming to see me again today.

Q Another delegation with him?

(The President did not answer.)

Q Have you made a recommendation for the appointment to the Southern Ohio judgeship?

THE PRESIDENT: No, I have not yet.

Q How about the Federal Reserve?

THE PRESIDENT: The Federal Reserve appointments, I think, will go up on Monday. I can tell you they are all ready, except one. Six out of seven are ready and they would have gone up had the Senate been in session. Six will go up on Monday, maybe seven; I do not know yet.

Q Is it the Tenth District appointment that has not been decided yet?

THE PRESIDENT: Oh, I couldn't tell you which one it is. And, by the way, there are twelve districts and only seven appointments, so we cannot cover all the twelve districts.

Q Mr. President, there is considerable talk on the Hill at the moment of extending the present Neutrality Act instead of attempting to get the new act through before the twenty-ninth of February. Can you tell us what the idea is?

THE PRESIDENT: Thank you for the information.

Q On silver, there is also some discussion up there that the Government is going to establish a free gold market, whatever that is. It sounds very good. (Laughter)

THE PRESIDENT: I think it sounds grand.

Q Yes, I am for it.

THE PRESIDENT: Can anybody go in and help themselves?

Q That is what it sounds like. (Laughter) Anything to that?

THE PRESIDENT: No, except I think we will be all glad to go into a free gold market and help ourselves, if it is really free. Is there any catch in it? (Laughter)

Q I am afraid so.

THE PRESIDENT: I am, too.

Q Mr. President, do you think the policies outlined in your October 29th (25th) statement can be carried out through grants to the states?

THE PRESIDENT: Let me see the October 29th (25th) statement. Yes, that is the one I had the other day. After all, we are talking about different things. You are talking about details of machinery and I am talking about the objective.

Q Do you think that objective can be reached through grants to the States?

THE PRESIDENT: As a way. There are five different ways to my certain knowledge. What I am looking for is the objective.

Q Do you care to comment on suggestions for State A.A.A.'s?

THE PRESIDENT: That was one of the newspaper stories this morning.

Q The guessing record is on a kind of low average today, Mr. President.

THE PRESIDENT: Yes, bad.

Q What do you regard as the objective in that case?

THE PRESIDENT: Well, you can put it as we stated it (in this statement of October 25th) or you can even use what I said up in New York as quotations from T.R. I would say, to so manage the physical land use in the United States that we will not only maintain soil fertility, but we will hand back to the next generation a country with better productive power and a greater permanency for land use than the one we inherited from the previous generation. That is the broad objective. We have got to go a long ways to catch up with the mistakes of the past so as to make the United States, as a whole, as productive as it was a hundred years ago.

Q May that be used in quotations?

THE PRESIDENT: I think so, if you will let me look it over.

Q Do you think those objectives can be reached without amendment to the Constitution?

THE PRESIDENT: I hope so.

Q The Senate Judiciary Committee has appointed a subcommittee to study proposed constitutional amendments. The chairman of that committee, Chairman Logan from Kentucky, has introduced his own proposed amendment. Have you read that?

THE PRESIDENT: When did they do that? Yesterday?

Q Yes, a subcommittee of five.

Q Is there anything going on we should know about in the field of currency stabilization or arrangements with England or France?

THE PRESIDENT: I do not think there is a thing going on at the present time. I do not think there is a single conversation or negotiation.

Q In that connection, we keep getting reports from New York that there may be a monetary statement over the week end. Do we need to look for one?

THE PRESIDENT: I think you had better take the same advice I gave you the other day. Keep out of it.

Q In Morgenthau's (Secretary Morgenthau's) testimony last week before the Senate Finance Committee, he was speaking of refinancing and new financing that might be necessary under certain circumstances. He mentioned a figure for relief of $2,000,000,000. which, to my mind, was the first intimation that that would be the amount asked.

THE PRESIDENT: No. I think you will find, if you read all his testimony about it, that he was taking some kind of a figure to illustrate a general total rather than any specific figure. He kept within -- all he was intending to do was to keep within the amount which I gave, which to date has been appropriated for relief, and still leave us with a lower deficit the following fiscal year than this fiscal year. What was it? two billion, two hundred and something millions? There is no --

Q (interposing) He was following what you said in your Budget Press Conference.

THE PRESIDENT: Yes. There was no set, individual, particular figure because we won't make up our minds until sometime around the first of March at the earliest and, maybe, a little later. The more time we get on it, the better the information.

Q In your Budget discussion you recommended that the hundred-million-dollar use of custom revenues for farm subsidies be stricken out. Has the situation since the result of the Supreme Court modified your desire to take that out?

THE PRESIDENT: I think that was based on a matter of principle that we should not earmark specific revenues for specific purposes.

Q Mr. President, are you planning a single Public Works measure, or will the various items, such as rivers and harbors, be distributed among the different bills?

THE PRESIDENT: Rivers and harbors are in the Budget already. Practically all public works, in the usual sense of the term, are already in the Budget.

Q Mr. President, has the Bonus Bill come back again to the White House? It was sent over for study.

THE PRESIDENT: The Bonus Bill physically has never left the White

House and never does.

Q Have you your reports?

THE PRESIDENT: They are coming in.

Q Thank you.

Q You said you were going up Sunday? (Laughter)

Q You had better go up Saturday night.

THE PRESIDENT: That would be the time to go. No, I am doing something else Saturday night. (Laughter)

CONFIDENTIAL
Press Conference #270,
Executive Offices of the White House,
January 28, 1936, 4.10 P.M.

(Vice President Garner was present at this conference. He explained his presence by saying, "You came in so fast that I had no way to get out of here, so I will stay.")

MR. DONALDSON: All in.

THE PRESIDENT: The only news that I have is that the Vice President is here under duress. He tried to get out but he was too late, so I will use him to hide behind. I haven't any news at all.

Q Mr. President, in the light of recent developments, including the bonus and the invalidation of the processing tax, do you plan to submit a new tax proposal to the Congress this session?

THE PRESIDENT: There isn't any news. We are still studying the tax situation.

Q They seem to be waiting up there?

THE PRESIDENT: It is still being studied.

Q Does that mean it will be about March first before --

THE PRESIDENT: (interposing) I haven't any idea.

Q Your supplemental Budget estimate?

THE PRESIDENT: That is an entirely different thing. That will be the relief question and that will be as late as we can make it. It depends on the probable date of adjournment. My thought on relief was to send up the figures about a month before the probable adjournment of the session.

Q Mr. President, would you care to tell us something of your conversation with Commissioner Helvering on the Kansas situation?

THE PRESIDENT: We did not confer on the Kansas situation.

Q How soon and in what way will you make known your selection of the

California delegates to the convention?

THE PRESIDENT: I have no idea. It is still in very preliminary stages.

Q There were reports you might indicate by the end of this week --

THE PRESIDENT: (interposing) Oh, no.

Q Does that mean you will select the delegates?

THE PRESIDENT: I have no idea.

Q I wonder if you could tell us whether the Navy's action in boycotting the Eleventh American Women's Convention for National Defense --

THE PRESIDENT: (interposing) I never heard about it until three minutes ago when Steve (Mr. Early) showed me the headline in the paper. I can't comment on it.

Q You and the Vice President talking about the convention, by any chance?

THE PRESIDENT: No. No, sir. What an idea!

Q Would you care to say what you were talking about?

THE PRESIDENT: Talking about fishing and hunting.

Q In those clothes? (Laughter)

Q Did you discuss with the Vice President your proposed trip to Texas?

THE PRESIDENT: We haven't gotten to that but I think it is coming along pretty well.

Q What were you fishing and hunting? (Laughter)

THE PRESIDENT: That is the most pertinent and sensible question that has been asked for a long time in a Press Conference. It is all right. (Laughter)

Q Not for smoked herring? (Laughter)

Q Mr. President, have you given any consideration to the proposal to consolidate all the investigative agencies under the Treasury Department under one head?

THE PRESIDENT: I only just got it. There are a certain number of grave difficulties in the way. The objective is a sound one but it will take a great deal more study. For instance, there is one department, the Narcotics Bureau, which, under a treaty or under the general international agreement, is supposed to be a separate organization. Then there is another question in regard to the Internal Revenue Service. Part of their work is what might be called routine, and the other part of their work is investigatory in the sense that it would come under some kind of special investigation service. Probably those would have to be separated, so we are still studying. We have not come to any conclusion.

Q Anything new on housing?

THE PRESIDENT: Not a thing.

Q Can you tell us anything about plans to finance the thrift bonds?

THE PRESIDENT: You will have to ask the Treasury. On those thrift bonds, we had a long talk yesterday with the Commanders here just to get the record straight so that we will agree more or less on the dates. General Hines studied the thing carefully and he figures it will take between 2500 and 3000 people to do the computation and filling out of 28,000,000 or 38,000,000 different pieces of paper. There are 7,000,000 computations to be made alone, and working at top speed, with that staff, probably we will be able to get the first of the thrift bonds out about the first of July and it will then take between six and eight weeks to get them all out. The three National Commanders who were down here yesterday understand that delay and are explaining it to the veterans all over.

Q Mr. President, the newspapers report that Democratic leaders on the Hill are again pushing the Tydings-McCormack Bill. Can you comment on that?

THE PRESIDENT: I have not heard anything about it. I do not think there is anything else.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference 271,
Executive Offices of the White House,
January 31, 1936, 10.40 A.M.

Q Good morning. Congratulations (on your birthday), Mr. President.

THE PRESIDENT: Thank you.

Q Did you have a good time last night?

THE PRESIDENT: Ask Steve (Mr. Early) if he had a good time.

Q We will put him on the spot.

THE PRESIDENT: Did you ever see a Cheshire cat? It can't do anything but smile.

Q Did he five-card them to death again?

THE PRESIDENT: Yes.

Q How is Louis (Mr. Howe)?

THE PRESIDENT: Fine, perfectly fine. He had a good time up there. If you want to borrow money, you know where to go.

Q If you need five or ten dollars.

Q At lunch today we will get it.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any particular news this morning.

Q Anything to say about the tax program?

THE PRESIDENT: No, it is in the study stage.

Q What taxes were you discussing yesterday?

THE PRESIDENT: Just the study stage.

Q Yesterday there were debates in the House over relief bills, both individual and the omnibus relief bills, and Taylor of Colorado said it was the fault of the House and the Senate and the President for approving these relief bills. One of the bills that came up was $900,000. for the

International Sales Company which has been pending since Burt Cochran's time and it was passed the other day under unanimous consent. Have you any thoughts -- they said that the Budget could not be balanced as long as those bills were going through because there was no way to oversee them. Have you any news on that?

THE PRESIDENT: Of course it is difficult to have any general views because it would depend on the specific case. Of course the usual rule is for them to go to the Court of Claims and most of those private claims can be taken care of and are taken care of in the Court of Claims. But on most of the bills themselves, like this International Sales case, although I have never heard of it, probably there is some reason why they cannot go before the Court of Claims. Then, in the first instance, it is within the discretion of Congress to say whether that bar from the Court of Claims will be lowered so that they can go before the Court.

Most of the vetoes I make of these private bills, these claim bills, is because the Government's defense is taken away from it by the bill. That is just a rule-of-thumb thought. If there is some good reason in equity why they should go before the Court of Claims, so long as the Government's defense is not taken away from it, we would just as soon have them go to the Court of Claims.

Q Usually they went on the private calendar and one or two members could object. But now they bring in an omnibus claims bill and that enables an individual bill, which would not otherwise get through, to go through.

THE PRESIDENT: The general rule on an omnibus bill is that you do veto it if it contains a number of cases where the Government's defense is taken away.

Q There was a rule recently made whereby they can do that.

THE PRESIDENT: Most of them I have vetoed have been on individual claims bills.

Q Isn't that particular bill based on depreciation in Russian rubles?

THE PRESIDENT: Yes.

Q Would that be a claim for losses with respect to the dollars?

THE PRESIDENT: Yes, it might very easily because I do not know how many private claims there are.

Q In that case there would be about a hundred billion dollars involved in the claims. (Laughter)

Q Do you recall how many of those bills you have vetoed?

THE PRESIDENT: No, but there have been an awful lot of them.

Q Have you completed your study of the Ship Subsidy Bill?

THE PRESIDENT: No, not yet.

Q Will there have to be a tax bill?

THE PRESIDENT: Oh, yes.

Q About how much?

THE PRESIDENT: That I don't know. There is only one thing worth talking about with respect to taxes because the thing is really in the study stage. I cannot go into detail at all, except on one thing. Obviously if a farm bill goes through, it has to be paid for and it has to be paid for through substitute taxes. In other words, it does not make any difference whether the Supreme Court outlaws certain taxes or Congress repeals certain taxes. If you substitute new taxes to help the Treasury out to that extent, they are not, strictly speaking, new taxes. In other words, it is a nice, fine point of English which perhaps some people will get. A "new" tax has a connotation of an "additional" tax. Now, if on the one hand you lop off, let us say, 500 million dollars of taxes and bring in a bill for 500 million dollars of additional taxes, that would be a billion dollars. Therefore, you see, "new" taxes is not, strictly speaking, the right word. "Substitute" taxes is more correct.

So, if this decision has lopped off about 500 million dollars of taxes or if Congress repeals 500 million dollars of taxes and you enacted another 500 million dollars to take the place of it, those latter taxes are not, strictly speaking, "new" taxes in the sense of the word. They are "substitute".

Q Will new taxes be necessary to pay the bonus?

THE PRESIDENT: You mean additional taxes?

Q Yes.

THE PRESIDENT: That is under study.

Q Representative Vinson thinks there will be $2,000,000,000. available out of the $5,000,000,000. appropriation fund for that.

THE PRESIDENT: You mean the $4,000,000,000.?

Q Yes.

THE PRESIDENT: Why, no; that is all allocated.

Q If it has not been expended, what will happen to it?

THE PRESIDENT: Blocked, most of it.

Q Over what period will the financing of the sinking fund for the bonus be arranged? Ten years; twenty years?

THE PRESIDENT: Those are details we are still talking about.

Q Do you expect to send a Message up on revenue?

THE PRESIDENT: I do not know; we have not got to that stage yet.

Q Will you have to see how much is taken in cash? Will you have to wait and see to what extent the veterans take this bonus in cash before you make up your mind?

THE PRESIDENT: No. We won't know that until July or August and we can't wait until then.

Q You say the relief money is allocated. Can we take it that you do not intend to use any relief money for paying the bonus?

THE PRESIDENT: I cannot; it is allocated. We cannot use it; otherwise some people will starve.

Q It has not been used?

THE PRESIDENT: The alternative is that we will take people off relief and let them starve. That is easy.

Q What type of taxes are you studying?

THE PRESIDENT: (no answer)

Q May I ask if you are in touch with the Pacific Coast Marine situation?

THE PRESIDENT: I talked with Perkins (Secretary Perkins) about it two days ago and have not talked to her since. I do not know the latest developments.

Q Are you taking any action in the coal situation in the Mid-West -- Governor Herring?

THE PRESIDENT: We got a telegram yesterday afternoon from Governor Herring and I think that was referred over.

Q It was referred where?

THE PRESIDENT: To Miss Perkins (Secretary Perkins).

Q Could you comment upon the communication from the Marines on the Coast, which I understand they sent to you, charging that the ship owners and their bankers are preparing to let loose considerable violence?

THE PRESIDENT: Only what I said. I talked it over with Miss Perkins two days ago and not since.

Q Will you recommend passage of the Costigan Anti-lynching Bill?

THE PRESIDENT: No; that is pending legislation.

Q Have you settled on the last member of the Federal Reserve Board yet?

THE PRESIDENT: Not yet; probably not until next week.

Q Anything new on housing? Senator Wagner's speech last night in New York was taken to indicate that the Federal Government would abandon direct financing?

THE PRESIDENT: That is still very much in the study stage.

Q Will the payment of bonus to veterans who are on relief affect their relief status at all?

THE PRESIDENT: That is being studied too.

Q Are you enjoying the radio campaign lately?

THE PRESIDENT: No, but I was given a radio set last week and I think I will have to listen. You know I have never been much of a listener-in on the radio. However, I was given one last week.

Q Who gave it to you?

THE PRESIDENT: The whole gang.

Q Did they advise you to listen?

THE PRESIDENT: Yes, they thought I should hear more grand opera. (Laughter)

Q With Al Smith as the prima donna? (Laughter)

THE PRESIDENT: So I am tuning in tomorrow afternoon on the Metropolitan Opera House.

Q It happens to be "Carmen."

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #272,
Executive Offices of the White House,
February 4, 1936, 4.08 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any particular news. You will want to know what the conference was about that we just held. It was the periodic check-up of the lending agencies this time. We have them every two or three months to find out how the actual expenditures out of the Treasury are going and how they probably will go during the next two or three months. That part of it was routine. At the same time we took up the question of certain authorizations by Congress during the past three years for potential obligations to see if any of those authorizations were no longer necessary to carry out or needed. We are now working to find out the exact amount it will run to --probably several hundred millions of dollars of previous authorizations -- which will not be used and therefore can be properly cancelled as authorizations.

Q One hundred million dollars?

THE PRESIDENT: Oh, a good many hundred millions.

Q Could that be a billion by any chance?

THE PRESIDENT: I cannot give you any figure because I haven't any figures.

Q Do I understand you to mean that of the earmarked money, you can take the earmarks off and use that for current purposes?

THE PRESIDENT: You cannot use it for current purposes. This does not mean money coming into the Treasury which can be used for other purposes. It means you lift from the Treasury Department or agencies that finance themselves directly, the possible need for future borrowings. Just to give you one practical example, the Home Owners Loan Corporation. I have forgotten the date on which applications ceased, does anybody remember?

Q June 27th.

THE PRESIDENT: Now, that was the last date on which applications for loans could be made and the loans made up to and including that date are now nearly all passed on. They have not quite finished passing on them but I think they will be in a few weeks. Therefore, we can make a pretty good estimate that the Home Owners Loan will not need several hundred million dollars which it was authorized to lend out. Therefore, the Home Owners Loan Corporation will not go into the market for that additional sum. There are five or six different agencies of the Government in a similar situation.

Q Are they direct obligations or indirect?

THE PRESIDENT: In some cases direct and in some cases indirect. In the case of the Home Owners Loan Corporation and the Farm Credit Administration, they are indirect.

Q Are some of them outright appropriations and authorizations by Congress?

THE PRESIDENT: I am talking about authorizations. For instance, RFC has certain authority to go to the Treasury and to call on the Treasury for certain funds for certain purposes. Now, some of those authorizations to RFC to go to the Treasury are now obsolete and can be cancelled as a borrowing power of RFC. That is a direct case because they borrow from the Treasury. The Farm Credit Administration and the Home Owners Loan are indirect from the point of view of the Treasury because they borrow directly from the public instead of going to the Treasury.

Q Can you give us an idea of what other agencies there are?

THE PRESIDENT: I cannot remember them offhand. There are quite a number involved.

Q Did you say that there were several hundred million dollars for Home Owners Loan Corporation?

THE PRESIDENT: Yes. As a matter of fact, I think HOLC -- I think you can put this down -- is somewhere between five hundred million and a billion dollars. That is HOLC alone.

Q That they will not have to borrow?

THE PRESIDENT: That they will not have to borrow.

Q Will any of these take action by Congress to cancel those authorizations?

THE PRESIDENT: Not of necessity. In other words, if we do not get action by Congress, it simply means that I write them a letter and tell them not to do it. The cleanest way of all would be to get action by Congress. The point is that the money won't be spent.

Q It is up to the Administration to borrow the money?

THE PRESIDENT: It is what?

Q It is up to the Administration to either ask or not ask for the money?

THE PRESIDENT: Yes.

Q Does it mean that these renting agencies will now be liquidated?

THE PRESIDENT: What one, for instance?

Q Most of them will have outstanding assets of one kind or another. They would be liquidated?

THE PRESIDENT: Home Owners' Loan -- some of them run twenty years.

Q By liquidating I mean turning them into banks instead of having the Federal Government own them?

THE PRESIDENT: No. The Home Owners' Loan is a direct agency of the Government It makes the direct loan to the home owner.

Q The H.O.L.C. will remain as such?

THE PRESIDENT: Yes.

Q Nothing to do with appropriations?

THE PRESIDENT: No, just authorizations.

Q As a result of today's discussion, have you an approximate figure of how much you can save?

THE PRESIDENT: I think you can safely say over a billion dollars. You cannot call it savings, however.

Q Yes.

Q Does that mean the money cannot be used for any other outstanding --

THE PRESIDENT: (interposing) That is the point. We are cancelling the possible obligation of it; either by Presidential Order or Act of Congress repealing the authorization.

Q Any purpose with respect to the bond market?

THE PRESIDENT: No purpose at all but a usual process. We have got to the point now where we can do it.

Q In this conference did you also explore the possible holdover from the disbursing agencies?

THE PRESIDENT: Not yet.

Q Budget said it would be a billion or a billion, 100 million?

THE PRESIDENT: On Thursday I am seeing the spending agencies. We will check up and find out what their probable actual expenditures will be during the next two or three months. During December and January the actual calls on the Treasury for expenditures ran less than had been figured the first of December. Now, we get another checkup for the next two months.

Q How far ahead can you chart the expenditures of the spending agencies?

THE PRESIDENT: A couple of months, two or three months at the outside, otherwise you get in the realm of guessing.

Q Do you recall how much less they ran the last two months?

THE PRESIDENT: No.

Q You have said we come to the point where we cancel the obligations. Can you say that that is approaching the end of the emergency period?

THE PRESIDENT: That is too broad a statement, much too broad, because it might be considered all inclusive. For instance, if you come down to practical instances, in each case you can answer that for yourself. In the case of the Home Owners' Loan, the actual obligations for loans ended last June. Obviously, that phase of the Home Owners' Loan work is approaching its end. The final obligations are now being passed on. From that time on, the Home Owners' Loan becomes a collection agency.

Q I missed the point. Can you do this, or have Congress do it?

THE PRESIDENT: Either way. In other words, take the case of the Home Owners' Loan Corporation: I say to them, "When you get these loans cleaned up, you will have a surplus of between 500 million and a billion dollars. Now, you are to make no more loans." Actually, I think, in that case, under the law, they cannot do it. But you have a potential cancellation of between 500 million and a billion dollars. Now, you can leave the whole thing on the statute books or repeal it, and the cleanest way is to repeal it.

Q Did these sums appear in estimated deficits in the past?

THE PRESIDENT: That particular thing was not in the Budget.

Q These sums did not appear in estimated deficits?

THE PRESIDENT: There has been no question of deficits on those.

Q It might have appeared in estimates but after deficits.

THE PRESIDENT: The Home Owners' Loan isn't going to have a deficit. It is going to pay its way out.

Q I mean the total Budget?

THE PRESIDENT: It has nothing to do with Budget figures.

Q Did you consider the repayments that might come from the lending agencies?

THE PRESIDENT: What?

Q The repayments by these lending agencies?

THE PRESIDENT: Only in the case of R.F.C. where the repayments for the past month were $50,000,000. greater than the loans. Certain agencies of that kind.

Q In the Budget you estimated about $100,000,000. coming back this year?

THE PRESIDENT: That is a figure I have asked for -- we did not get it today -- as to whether there would be any change on that estimate. It will probably run slightly higher than the estimated return.

Q R.F.C. are running higher than expected?

THE PRESIDENT: Yes, higher than expected.

Q Any discussion on cotton loans?

THE PRESIDENT: Yes.

Q Can you tell us anything about that?

THE PRESIDENT: That is a terribly involved subject that I do not entirely understand myself. We have the old cotton pool. There is one of them and, of course, the liquidation of that pool will -- on the liquidation of the pool and the time it is done will depend on whether we will call on $100,000,000. that has been set aside and not called on up to the present time. Now, the speed of liquidation of the bales held in the cotton pool will control the use of that hundred million.

Q That is the recovery of it?

THE PRESIDENT: Yes -- no, I do not think it is the recovery of it. I think it is the use of it. I think they have that as a sort of kitty, haven't they? I think so. That is one thing you have to check on.

Q Anything on Los Angeles, California, delegates?

THE PRESIDENT: No.

Q There is a story that Colonel Fries, Director of the N.E.C., resigned and that he was coming to Washington to take some important Budget post. He is not going to be Assistant Director of the Budget?

THE PRESIDENT: I have not heard a word on it.

Q I have some inquiry as to why the Costigan-Jones Sugar Act was not included in the legislation asked for?

THE PRESIDENT: You had better talk to Chester Davis or Henry Wallace about it. I do not know.

Q Have you reached the point where you can tell us your personal opinion of how the bonus should be paid?

THE PRESIDENT: Oh, heavens, no.

Q Studying it?

THE PRESIDENT: Checking on it. We are keeping on studying it. Nothing decided at all.

Q Could you comment at all on the attitude of the Administration toward the various inflation proposals made on the Hill?

THE PRESIDENT: Various what?

Q Proposals for inflation.

THE PRESIDENT: No.

On the bonus thing, this is just a very rough guess on the total extra cost of paying the bonus between now and 1945, which is what? Nine years. It will run about a hundred million dollars a year above what it would have cost if it were paid in 1945. That is the rough figure, but approximately correct.

Q But you do have to have a billion dollars between June 15, and April 15?

THE PRESIDENT: Yes. That is a question of financing.

Q Have you come to the point of how you are going to get that money?

THE PRESIDENT: No, the only figure is the difference in cost to the Government between now and '45 will be about a hundred million dollars a year.

Q How do you arrive at that, on a 20-year basis?

THE PRESIDENT: On a what?

Q On a 20-year or a 10-year financial basis?

THE PRESIDENT: I couldn't tell you; I don't know.

Q Is there any comment on the shipment of gold abroad?

THE PRESIDENT: No, except it does not do any harm.

Q Coming back to the subject of cotton, how about this two hundred and some -- approximately 250 million dollars in loans through the Commodity Credit Corporation and the R.F.C.? Did you take them into consideration in this tightening up of the purse strings?

THE PRESIDENT: No, no. Nothing to do with it. This is not a tightening up of the purse strings.

Q Have you decided on your new tax bill for the substitute farm bill?

THE PRESIDENT: No, not yet. I did not even discuss it today.

Q Are you going to have a stopgap on the two hundred million taxes impounded by the Federal courts -- a stopgap tax bill?

THE PRESIDENT: I do not know; I have no idea.

Q Is there a continuance of these cotton loans affected by the A.A.A. decision?

THE PRESIDENT: No, I do not think so. There will be orderly marketing, but very orderly. No frightful rush about it.

Q Have you discussed corn loans along with the cotton loans?

THE PRESIDENT: No.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #273,
Executive Offices of the White House,
February 7, 1936, 10.35 A.M.

Q I have a corporal guard this morning, Mr. President.

THE PRESIDENT: Well, well, Merry Christmas (referring to the snow). Wouldn't it be grand at Hyde Park today?

Q If you were able to find it.

Q You could get the sleigh out.

THE PRESIDENT: Yes. A corporal guard is right.

Q I can't get out.

THE PRESIDENT: There are some of them that cannot take it in every profession.

MR. DONALDSON: All in.

THE PRESIDENT: Congratulations to the faithful. (Laughter)

I have got to apologize; I haven't any news.

Q When will the nomination of the seventh member of the Federal Reserve Board come up? Have you any idea?

THE PRESIDENT: To tell you the honest truth, I haven't done a thing about it the whole week.

Q Can you tell us anything about the conference with spending agencies yesterday?

THE PRESIDENT: No; just the routine thing.

I suppose the easiest way to put it is to say it involved just one problem and that was the amount necessary to carry the unemployed between now and the first of July and whether, on existing allotments, we have enough for that purpose or whether we have to transfer some other allotment over to relief in order to carry the thing through to the end of the fiscal year. It was a long, involved talk that related to practically every department.

Q. Will you need more or less to get along between now and the first of the fiscal year?

THE PRESIDENT: Neither more nor less. In other words, we have known all along we would have to take some, around the end of April, from other agencies, over and above the allotments that had previously been made. There is nothing new in it.

Q A reshipping of allotments?

THE PRESIDENT: Yes.

Q You take some from the other agencies and give it to the W.P.A.?

THE PRESIDENT: Yes, because on the original allotments to W.P.A. it did not have enough to carry through to the first of July.

Q Which agencies?

THE PRESIDENT: Every one that has an allotment. They are all subject to it.

Q Others, like Rural Resettlement?

THE PRESIDENT: Army, Navy, Labor, Commerce, every department. It would come out, perhaps, of every department. Some we might use but it would not be worth while taking it out. For example, on that, you take some of the work that the Army and Navy is doing: It is practically W.P.A., only, instead of being done for a municipality, it is being done for the Navy. So it is money usefully spent for the same purpose and, except for certain minor individual projects, we would not take it away.

Q Can you give us any tentative figure as to how much would be needed after April first?

THE PRESIDENT: I don't know. It is almost an impossible question to answer.

New projects that are being started now won't actually go to work until after April first, so an allocation now does not mean the immediate spending of money. We have to take it up from the point of view of the amount that would be spent before the first of July.

Q Any consideration of continuing the demands from the states after April first?

THE PRESIDENT: No.

Q In the Treasury statement, on the subject of emergency funds, the column showing the Emergency Relief Appropriation Act for 1935 totaled, at the start, $4,000,000,000. It now totals $4,400,000,000., $400,000,000. having been transferred from the Reconstruction Finance Corporation under the Act of April 8, 1935. In view of the authorization for another $400,000,000., will that column, will the total of that column now total $4,800,000,000.?

THE PRESIDENT: Of expenditures?

Q Of funds available for emergency relief purposes?

THE PRESIDENT: I don't quite understand it. What does the Treasury statement show?

Q On page 4 of the Treasury statement there is an accounting of emergency funds for the fiscal years 1933 and down to date. The first column shows the specific appropriations, the second shows the allocations under the National Industrial Recovery Act, the third the Emergency Appropriation Act of 1934, and the third column shows the Emergency Relief Appropriation Act of 1935. The total of that 1935 appropriation, showing the allocations to the various agencies, was, at the beginning, in this fiscal year, $4,000,000,000. Now, with $400,000,000. transferred from the R.F.C., it is now $4,400,000,000. You will now be drawing an additional $400,000,000. from the R.F.C. Will that column eventually total $4,800,000,000.?

THE PRESIDENT: I suppose so. I do not know. That is one of the Treasury bookkeeping things. I don't know. We will probably draw from the R.F.C. all we have authority to draw from them.

Q As a result of the Supreme Court decision in the Maryland National Bank case, will that change any policy of the R.F.C.?

THE PRESIDENT: You had better ask Jesse Jones. He is studying the possibility of a small amendment to the law. You had better ask him.

Q Has it been decided to continue the low-cost housing policy, or is that being considered? That is direct Government aid to low-cost housing?

THE PRESIDENT: In the future or old appropriations?

Q Future?

THE PRESIDENT: That is still in the study stage. They are still going ahead with all the projects listed.

Q Can you comment on the study of conditions under the W.P.A.?

THE PRESIDENT: I don't know.

Q They made a survey of conditions in thirty-five states, including 18,000,000 people, and found some acute suffering, so they say.

THE PRESIDENT: I do not know; I have not seen it.

Q Is the tax bill taking any shape?

THE PRESIDENT: Not yet.

Q Mr. President, have you come to any conclusion about the Ship Subsidy Bill?

THE PRESIDENT: No. I have gone over it a couple of times since last week. Nothing yet. I hope we can get something on it.

Q On taxes, has it been determined yet whether taxes will be necessary to finance the bonus payment?

THE PRESIDENT: I don't know; we haven't any decision on it at all.

Q Mr. President, Mr. Wallace estimated that the cost of the farm control program will be about $500,000,000. annually. Is there any change in that estimate of $500,000,000. more or less?

THE PRESIDENT: I think that is about right.

Q Has a decision been reached on the financing of the bonus debt -- how many years?

THE PRESIDENT: No. I should say offhand that would depend on the Treasury decision as to the best method of raising the money. It depends on the money market, other issues. It all ties in together.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #274,
Executive Offices of the White House,
February 11, 1936, 4.00 P.M.

THE PRESIDENT: How did you work up into the front row?

Q (Miss Ruby Black) I just fight for it. You can't hear these questions the boys ask you in the back row.

THE PRESIDENT: I know it. Most of the people in the back row are here for curiosity. Isn't that right?

Q That is right.

THE PRESIDENT: They do not care about the questions and answers. They want background.

Q That is just a polite name for it.

Q (Mr. Storm) Jack O'Brien wanted to know how I got the chair and I said it was due to too many complaints.

THE PRESIDENT: There was too much scenery in the front row and we had to lower the drop.

MR. DONALDSON: All in.

Q What is the name of your white elephant? (Referring to the toy elephant on the President's desk)

THE PRESIDENT: Gop.

Q Just Gop?

THE PRESIDENT: Yes.

Q Mr. President, have you received any news on developments of the spending conference that was held here the other day? You said you were going to transfer some funds.

THE PRESIDENT: Which one? We had a three-ringed circus going on there. We had a conference almost every day.

In order to make it clear, all of these various conferences are almost a daily occurrence. They are working on three lines of attack. One you know about, which is the various authorizations of appropriations which will not be used and can therefore be, in effect, cancelled, like the Home Owners Loan Corporation thing we talked about last week. The second line of study that is going on at the present time relates to various appropriations or authorizations which would effect a saving on the public debt, a reduction in the public debt.

The third line of study represents those -- affects those appropriations that would have an effect on the Budget or, say, the deficit.

Those are the three lines of study and they are all proceeding simultaneously. The Director of the Budget, of course, is in all three and he calls in various people on each type of appropriation and each department affected.

Q Is it true that Mr. Black is going to succeed Mr. Coolidge as Under Secretary of the Treasury?

THE PRESIDENT: There isn't any news on either of those appointments over there yet.

Q Have you any comment to make on Mr. Jones' call this morning?

THE PRESIDENT: No. What did we discuss? I have forgotten. He comes around every two or three days, you know.

Q Mr. President, our Canadian clients are asking whether you are likely to invite Canada to participate in the proposed Pan-American Peace Conference?

THE PRESIDENT: I don't know. You will have to ask the State Department about that. I think they will probably say "No."

Q Is anything being done on the Niagara Falls Treaty now?

THE PRESIDENT: Not at the present time. There is a lot of correspondence going on about it.

Q On these three lines (of attack) you are working on now, has any time been set for them to report?

THE PRESIDENT: They are reporting right along. There will be a report on this appropriation today and another one tomorrow. I cannot give you a deadline.

Q Is it being done piecemeal?

THE PRESIDENT: No, it is not being done piecemeal. They are all three different things. More information every day on the three particular lines. I cannot give you a deadline but I can guess that inside of a week we will have pretty good information.

Q Has a goal been set for savings? Any amount been laid down?

THE PRESIDENT: No.

Q Will you issue an invitation to the Conference, or will that be left up to the State Department?

THE PRESIDENT: I think we can say now -- has the letter been given out?

Q No.

THE PRESIDENT: Well, the first thing to be done is to get the letter. Well, a letter has been signed and the only reason for not saying anything about it at the present time is a matter of courtesy to allow enough time for the letter to be received by all the heads of governments.

MR. EARLY: Which is this afternoon.

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THE PRESIDENT: Steve (Mr. Early) says it is today.

Q A letter to the Peace Conference?

THE PRESIDENT: To all heads of governments.

Q Pat Nash and Bruce Campbell announced today that your name will be entered in the Illinois primary. Have you any comment?

THE PRESIDENT: No, I do not know the law in Illinois. Off the record, ask Senator Borah; he knows what the law is.

Q In the letter coming out today, could you comment on the ideas of the Conference?

THE PRESIDENT: No. I think the letter is a story in itself. Don't put too much in one paper.

Q We would like to be clear on one point: The letter was to be to the heads of the governments. I did not understand that the Conference was for the heads of governments.

THE PRESIDENT: You had better see the letter. We are not going beyond the letter at this time.

Q Have you a copy of it, sir? (Laughter)

Q There is a report over in the Interior Department that Ickes has issued some report on the attitude of municipalities on public works spending. Have you received that?

THE PRESIDENT: Yes, I got one last week and one yesterday. I think yesterday's is around here somewhere. Here it is. There are an awful lot of figures in these -- it was a study -- so I cannot summarize it for you because there are pages and pages. It relates to the approval of public works by communities and it is a new piece of information. It is rather interesting along certain lines. These relate to the P.W.A. and not to W.P.A. and the various local projects from the beginning of P.W.A. down to date.

There were 12,022 applications filed by communities. Of those 4,629 required local elections before they could go through. That was the grand total relating to applications filed. Now, actually, of the applications that were approved subject to local elections there were 2,613 that called for local approval and elections were held. They were approved in 2,166 cases or approximately 83 per cent, where they had an election and the voters approved the expenditure. In dollars and cents, the voters in those 2,613 communities approved local contributions, that is to say out of their own pockets, of 213 million dollars and they defeated projects for 44 million dollars. The main point of the thing is to show that the voters in those communities, by a referendum, assessed themselves that amount as local contributions to be paid for out of local taxes.

Q Any figures on the number and amount in which there was no referendum?

THE PRESIDENT: I am trying to find out, to see if there was.

MR. EARLY: Secretary Ickes said he only intended that as a summary, that he had all the details.

THE PRESIDENT: I haven't the details. I haven't it here because all you have to do is to find the total amount that was given by loan and grant -- do not get it mixed up with the straight loan thing -- and then deduct those figures from it, and that will give you the amount where there was no election held.

Q All those raised by local taxes or part by revenue?

THE PRESIDENT: Local taxes, revenues or bond issues. But, after all, revenues and local taxes are almost synonymous, aren't they?

Q Very much.

THE PRESIDENT: Well, the only story on that, Stevie (Mr. Stephenson), is the fact that in a great majority of these cases there was local contribution approved by the locality.

Q Does the Secretary give the amount of the grant that was made to the communities that approved this 213 million (dollars)?

THE PRESIDENT: How much?

Q How much Federal money went into the communities that voted this total of 213 million dollars?

THE PRESIDENT: No, but that represented, on the average, I suppose, about 45 per cent. Wait a minute -- I don't believe -- quite a lot were the old 30-70 and that is not broken down, so I cannot tell you.

Q Any comment on the situation likely to result on the House Appropriations Committee's refusal to approve the budgetary allotments for the Quoddy and Florida Ship Canal?

THE PRESIDENT: I haven't heard anything about it except what I read in the papers. I haven't heard any report from up there on it. I take it that will be thrashed out later.

Q Is this letter to the heads of the Latin-American Governments from you?

THE PRESIDENT: From me; signed by me personally.

Q On taxes, has that bill been --

THE PRESIDENT: (interposing) Not yet, no. But the A.P. story the other day was a bum steer, Stevie (Mr. Stephenson).

Q (Mr. Stephenson) What story is that? (Laughter)

THE PRESIDENT: The story was that I was not going to send it up until I saw how much taxes came in on the fifteenth of March.

Q (Mr. Stephenson) Are you sure that is an A.P. story?

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #275,
Executive Offices of the White House,
February 14, 1936, 10.30 A.M.

THE PRESIDENT: Good morning; how is Fred?

Q (Mr. Storm) Just fine, Mr. President.

THE PRESIDENT: What is the news today?

Q We are hopeful.

THE PRESIDENT: I don't think we have anything.

Q None today?

THE PRESIDENT: We will have a quiet week end.

Q Pretty dull on the Hill these days.

THE PRESIDENT: I think the only news is that we will put the lid on for two days.

Q This is Valentine's Day. Could you give us a valentine?

THE PRESIDENT: That's right.

Q Any news from the duck hunters, Colonel Watson and Brother Early?

THE PRESIDENT: Not yet; they have hardly had time.

Q I didn't know they were going to South Africa. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: The only news is off the record. Steve (Mr. Early) has had White House orders not to shoot a turkey. We have heard enough about turkeys. No more turkeys. The only other news is that we are going to put the lid on from now on until Monday morning.

Q Washington and District health officers are very much concerned over the size of the Budget for health purposes. They say it is dangerous and I wondered whether you had any ideas on the subject?

THE PRESIDENT: I do not know enough about it, personally, to make an intelligent answer. I do not know, Russell (Mr. Young).

Q Can you tell us about your housing plans which were discussed here yesterday?

THE PRESIDENT: Only very, very general discussion yesterday; no specific plan. It might be called a preliminary discussion.

Q Mr. President, last week a group of Atlantic Coast Congressmen came to see you about icebreakers. Can you tell us what the situation is?

THE PRESIDENT: The situation with respect to icebreakers is this: that instead of building special ships, Navy, Commerce, Army and Treasury are all trying to find out whether it is possible to use vessels that are out of commission and normally kept out of commission, and have them ready during the ice season, with perhaps a special shoe or something like that forward, to be used when we have an ice emergency. That probably would save an awful lot of money instead of building new ships. Various departments have a certain number of vessels laid up in reserve.

Q Do you expect a report on that?

THE PRESIDENT: Yes. You will get it probably in the next two or three days.

Q Does that mean you would oppose new construction of icebreakers?

THE PRESIDENT: Yes, if we can use existing vessels.

Q If you could not, would you then oppose new construction?

THE PRESIDENT: We will cross the bridge when we come to it. We have to first find out whether we have any available vessels. We think we have.

Q May I ask another question on housing? Have you given any consideration to the method in which this program would be financed?

THE PRESIDENT: No, not a bit.

Q What preparations are you making on your tax conference?

THE PRESIDENT: None in the last three or four days; I haven't taken it up at all.

Q Any idea when the Tax Bill will be presented?

THE PRESIDENT: No.

Q Next week?

THE PRESIDENT: I hope so but I doubt it.

Q After March fifteenth?

THE PRESIDENT: Have so many things to do; have not been able to touch it.

Q Has anybody been selected to succeed Dr. Meade?

THE PRESIDENT: In all, fifty-seven, I think.

Q Are you ready to announce the appointment of a new Under Secretary of the Treasury?

THE PRESIDENT: Not yet.

Q Do you favor putting labor provisions into the Ship Subsidy Bill?

THE PRESIDENT: I think that is a matter for the Congress to determine.

Q Thank you, Mr. President.

Q (Mr. Stephenson) Lowell Thomas is challenging our baseball team. Do you authorize us to accept?

THE PRESIDENT: On one condition, and that is that we practise first.

Q (Mr. Stephenson) Right.

Q (Mr. Storm) I think there would be a game if we practised first.

THE PRESIDENT: Right.

CONFIDENTIAL
Press Conference #275-A -- with Editors of
Trade Papers,
Executive Offices of the White House,
February 14, 1936, 11.00 A.M.

THE PRESIDENT: I sympathize with you people having to write editorials more than you know. Isn't that right?

MR. PAUL WOOTEN: Yes, sir.

THE PRESIDENT: And writing editorials on things -- that is why I am so terribly sorry for you -- on subjects that I couldn't write on myself, knowing three times as many facts as you do. (Laughter)

MR. WOOTEN: This group understands our categories of news and if you want to say anything off the record or for background, they would be glad.

THE PRESIDENT: There are two things that I have always felt, having had a certain amount of experience in both: I used to be a columnist once and how anybody can write a daily column or a three-times-a-week column, is beyond me. It is just humanly impossible to be accurate and intelligent, doing it that often. I also once upon a time had to write an editorial over night and the same thing applies there. It just cannot be done. I have done them both and know what it is like. It is an eternal grind and it cannot be done intelligently and 100 per cent right if someone is after it day after day. I am not only being sympathetic, I am being terribly frank.

Any questions you people want to ask? I would love to have you do that.

MR. WOOTEN: These are business publications, so it is easy for them.

THE PRESIDENT: Yes.

Here is another thing, too. It may interest you, as an off-the record suggestion. In the news end of things, our news friends have to write news stories and that is an awfully difficult thing to do. There was a very, very good example this morning in the papers that will interest you from the building point of view, for instance. There is a long front-page column on it in almost every paper. How did that story come about? As you know, we are all very much interested in building, in increasing the houses in this country. We probably need, almost immediately, 5 million new houses for 5 million families because we have fallen behind so much in the last four or five years. Therefore we are tremendously interested.

Yesterday we had the first conference we have ever had on the subject of housing where we did not talk about any specific plan. Just between us, we did not talk about a single specific plan. We talked about a dozen principles, but only principles, and never mentioned a figure. Bob Wagner, who is a very old friend of mine, comes out (of my office) and the boys are gathered and he talks about his plan. He has a specific plan. Now, we never mentioned Bob's plan in here at the conference, and yet the lead in every story is that the Administration has adopted a plan to spend 300 or 400 million dollars this coming year. Now, there you are. Bob was talking about his plan and, because he had just come out of a conference -- at which the plan was not mentioned -- the boys outside thought it was the Administration plan.

Now, you boys back of the desks, you read that story and you write editorials about it. So, you see, those are some of the problems that you have got that are terribly hard, to discriminate between the story that absolutely is a fact and the story that, in one way or another, gets out, that cannot be relied on and that does not happen to be true. I think you have an awful job.

Have you got any particular questions about the business publication end of things?

Q Would you like to say a few words more on the prospects of progress in this housing movement?

THE PRESIDENT: Yes. We have this thing, which divides itself up. It should not ever be treated as one subject. There are three main subjects in housing and they are entirely different.

One is the tenement or apartment. In other words, that is the absolutely urban problem, and that is only in the cities of, let us say, 25 or 30 thousand people or more.

Then there is the second problem, I call it the suburban problem. It is the single house, double house, or four-family house. We people who have lived in New England know about the four-family wooden tenement. That is not right in the middle of the city but a little ways out on land ~~that~~ isn't particularly valuable.

Then there is the rural problem.

They are three separate things and they probably, from our experience, have to be handled with different methods of financing, et cetera, all three of them.

We want to keep the Government from spending any large sum each year. We want private enterprise to take over the burden just as much as we possibly can.

One of our problems is the question of slum clearance, which is the large city apartment house. You have a social problem there. You can't build in New York City with private capital, even on a 3 or 4 per cent basis. You can't tear down tenements and put up brand new ones at much less than 9 or 10 dollars a room. And of course that does not help in the social group that cannot afford to spend more than 4 or 5 dollars a month. It just doesn't meet that need and nobody has devised the way of meeting the need. If private capital can do it, it would be fine. But private capital says, "We can't do it." That raises the question immediately, as has been the case in England and in practically every European country, whether the Government should go in and give, over a period of years, some kind of subsidy to reduce the cost, either through a loan without interest or a straight grant, or half a dozen different ways of doing it. But the fact remains that unless something is done, private capital cannot build that type of building. We all know that in New York City you can't do it. Even if you go out to Queens, you cannot put up an apartment house at under 8, 9, or 10 dollars a room unless you get some kind of a grant, either in reduced interest or straight money. Nobody has the answer to it in this country, frankly.

Then you come down to the question of the suburban houses, one to three or four-family houses, and again we haven't the answer. The income groups of the country show that what is needed is not a good five-cent cigar but a good $2500. house, but nobody will build it for that and we have all been working for it sincerely. A good many private groups have been spending a lot of money on experimental work. There are probably, let us take a rough figure, 80 per cent of the people who need new homes. They cannot afford, because of their income, to pay more than a total of perhaps $3,000. for the house and land, and nobody has been able to devise a $2500. or $3,000. one yet.

Owen Young put it to me a couple of months ago, a little bit on this basis: Suppose you want a Ford car. You can go to any old dealer and get ~~it~~ for $500. But suppose you said, "Give me a set of the complete plans and let me build one," and you took it around to the best machine shop in town, and you said, "Build the car according to these plans." It will cost you $2500. to build that car. Now, almost every house in this country is being built on the local machine shop method rather than on the mass production method. We all admit it and haven't found the answer. If we could build houses in this country on the factory basis, we undoubtedly could get a $2500. house which would be perfectly satisfactory to live in. We have not answered it, business has not answered it and the mail order people have not answered it.

One reason is that we give (individual) orders for houses. If it is a big apartment house, that is a single order and the material is bought and the processing done on the basis of a single order.

Suppose it is a real estate development, a housing development by, let us say, some limited dividend corporation. They go out into Queens, or up in Poughkeepsie, and they want to build twenty-five houses. Well, on twenty-five houses they cannot get much in the way of lower rates from the bathtub manufacturer.

You see the problem, and no human being has solved it yet. What we want to do is to solve it and, at the same time, keep the Government out of it as much as we possibly can. That is why yesterday, at the conference, we were talking about the possibility of some type of a limited guarantee, which would be a joint guarantee, part by the Federal Government, part by the state and part by -- if you can do it constitutionally -- and partly by the community itself, so as to encourage private capital to go in and do the building.

On the interest rate, probably private capital today, because money is so low, could be got, on a proposition of that kind, at around 4 per cent, if there was a guarantee behind it.

Now, that was just one method discussed. We have not solved it at all. I don't want the Federal Treasury to go into it. I do not know how to do it. We are still working. It would be grand if someone would come along with an effective method.

It has been suggested that we wait and accumulate orders all over the country for certain types of factory houses until we get orders for 50,000 houses, and then go to the material men and processing people and say, "Here is something that will keep you busy for a whole year." Of course they could then afford to give lower prices. Of course the more you do in the factory, the less the labor costs on the job, which are necessarily high.

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You may remember that I used to be the President of the American Construction Council for a number of years, so I do know the building problem.

What we are up against in the building trades is something that you all know about. It is the fact that it is not steady employment. Heavens, when you pay $10. a day to the carpenter, that is awful. But how many days a year is he employed? That is a thing that has to go with it. What I think this thing is going to develop into, and probably with the approval of labor, before we get through, is some kind of sliding scale. In other words, if I guarantee to employ a carpenter 365 days out of the year, I will make a yearly contract with him. But there are thousands of people in the building trades that do not work more than a hundred days a year. Well, a hundred days a year at $10. a day is not too much money for him to have at the end of the year.

Now, we have never worked that out either, and what we want from all of you people, frankly, is the realization that this thing can be worked out, and can be worked out without calling people names. Don't call the union names. I go back to my old Navy experience. In those days we had what we called sheet metal workers and they were getting what was, for those days, a very high rate. They were getting $6. a day and it was not any more skilled work than that of a machinist. I said, "Why are you getting $6. a day?" And they proved that they were only working a hundred days in the Navy Yard a year.

The criterion on the labor question is not the hourly rate or the day rate. We have to get away from that thought. It is how much a man has taken into his pocketbook during the year.

You take the automobile business: In the spring of 1934, when we almost had that strike out in Detroit, I had a fine conference with Chrysler and Sloan and old man Nash and some of the others. We got along pretty well and had some methods of working it out. Then we got these boys in; they were all young men in the automobile factories who had been elected to represent the men. They were not, any of them, old-fashioned professional leaders. They did not know particularly well how to handle themselves. I looked around and saw a boy about 35 and I said to myself, "That boy has been in the Army or Navy." So I sat up and said, "Were you in the war?" "Yes, sir." I said, "What were you in?" "The Marines, sir." "Oh, you were under me," I said. "Yes, sir."

"Now," I said, "what are you?" "Machinist, first-class, sir." Imagine a labor leader saying, "sir."

I said, "What do you get now, an hour?" (He said) "Dollar and a quarter an hour." I said, "That is pretty good. At eight hours a day that is $10. a day?" "Yes, sir."

I said, "Well, that is pretty good pay, isn't it?" I said, "How many days did you work last year?" "Sixty-seven, sir." I said, "You only made $670. last year in an automobile plant in Detroit?" He said, "Yes, sir."

I said, "Own your own house?" "No, sir; I have lost it." How much had you paid on it?" "$2,000."

I said, "Then you couldn't keep up the payments on it and you lost your house?" "Yes, sir."

$670. a year! $10. a day is grand but forget that. The question is, How much did he get at the end of the year? And then I got back Chrysler and the others and I said, "Listen: I have got some figures. How much was the average received by the automobile employees in Detroit in the year 1933?" They said, "We do not know." I said, "Well, I know. The average received by the automobile employees in Detroit was exactly $690. in the year 1933. Well, now, American families cannot live on $690."

I got them to study the thing and they put into effect the changing of the date of the (Automobile) Show, thus giving them more steady employment through the year, and it has improved things very distinctly. This year we have them up to an average wage received for the year of $980. That is pretty good. But $980., with which to bring up a family -- most of these are skilled men -- is not an awful lot of money. So I set them a criterion to shoot for, of $1250. a year average. I hope they will go to it because, if they get it, it means we will have more building and more everything in the country, because they spend the money and the thing that worries me most in this present resumption of production is the simple fact that production in this country is up to about -- it depends on which index you use -- 94 to 98 per cent of the 1927-28 level. That is fine, that is production. The wages paid -- no, the people employed are only 83 per cent. In other words, that is progress in the technological side of it. And the wages paid are only around 74 per cent. Well, that is an awful problem for industry. It is fine that we are nearly back to a hundred per cent of production, yet as far as employment and wages go, we are still way down.

I think the next move is industry's. I hope somebody -- industry -- will be able to give us some kind of suggestion as to what is to be done about that. If we go to a hundred per cent on production and the number employed is 75 or 80 per cent, you have unemployment on your hands, and, if you have unemployment on your hands, you have out-of-balance budgets in the Nation and in every state and every city.

Now, the next move is this: I am sitting here waiting for them to come and give some kind of solution. But, instead of doing that, they go around the country saying, "We have to have a balanced budget. We have to have a balanced budget."

A balanced budget isn't putting people to work. I will balance the budget as soon as I take care of the unemployed. In other words, I am not being helped.

Hell, I can stop relief tomorrow. What happens? Tell me that! You know. I don't mean, by that, the policy of the owner of your paper. You know, as human beings, what happens if I stop relief tomorrow. It isn't any joke.

MR. WOOTEN: If I do not wind up this meeting, I will be in bad with Mac (Mr. McIntyre).

THE PRESIDENT: I have talked an awful lot about the affairs of the Nation, but you see what a big task it is. It is not so easy as it seems to be, and we do not know all the answers. None of the politicians do, nor do any of the editors that I have met thus far.

MR. WOOTEN: There will be a good many editorials along that line, I am sure.

THE PRESIDENT: It is good to see you.

CONFIDENTIAL
Press Conference #276,
Executive Offices of the White House,
February 18, 1936, 4.00 P.M.

THE PRESIDENT: I do not think there is any news. We leave on Saturday morning, go to Philadelphia, Camden? Cambridge and Hyde Park, get to Hyde Park Sunday morning and stay there until, I hope, Tuesday night, and if everything is quiet down here, until Wednesday night. The Nelson House will be very glad to see as many of you as possible. They have had a very snowy winter.

Q We won't be able to take part in our election here then. (Referring to the election of officers of the White House Correspondents' Association.)

Q In view of the passage of the Neutrality Bill by both Houses, are you planning any action on your Executive Order withdrawing protection from Americans traveling abroad?

THE PRESIDENT: It has not come to me yet.

Q That is not included in the Neutrality Bill.

THE PRESIDENT: I cannot discuss that until it comes down. Were there any changes? Was the House bill substituted?

Q I do not think so; it was almost the same.

Q Can you tell us anything of your talk with Sumner Welles today?

THE PRESIDENT: No, just a lot of general matters. Nothing in particular.

Q Any responses, sir, to your letter to South and Central American Presidents?

THE PRESIDENT: I think a few have come in and the State Department is holding them all until they all come in. I suppose it will be some time before they all get up here; I suppose another ten days.

Q In that connection, is Secretary Hull likely to head the American delegation?

THE PRESIDENT: There is no conference yet. You are very, very previous.

Q Have you any comment on the scope of the T.V.A. decision?

THE PRESIDENT: I am still studying it. I have not finished reading the three opinions yet. I have got them right here and am about half way through.

Q Have you, as yet, approved the California delegation to the Democratic primary?

THE PRESIDENT: I do not know even what date it had to be done by.

Q The twenty-fifth of March.

Q Have you received any reports recently from Murphy out at Manila on Philippine defenses?

THE PRESIDENT: Has one been forwarded?

Q So we understand. It is somewhere in the mail.

THE PRESIDENT: I have not seen it.

Q Can you tell us about your talk with the group this afternoon?

THE PRESIDENT: That was Chapter III, and probably there will be Chapter IV and Chapter V before there is anything on it.

Q That was on loaning agencies?

THE PRESIDENT: Yes.

Q In what chapter is the tax situation now?

THE PRESIDENT: That is only about Chapter II; just have two or three more to go. We've got another chapter on that tomorrow.

Q Taxes?

THE PRESIDENT: Yes.

Q What is that?

THE PRESIDENT: Chapter III on taxes. That will be quite a long book.

Q What is the heading of that chapter?

THE PRESIDENT: The heading of that chapter will be -- what is the name of that book of mine?

Q "On Our Way."

THE PRESIDENT: "On Our Way." (Laughter)

Q Seriously, will there be a tax conference tomorrow?

THE PRESIDENT: Just the usual people; we are having them in right along. Nothing new about it. I think we have had two on it already.

Q Does that include members of Congress?

THE PRESIDENT: We have not got anywhere near that point yet.

Q Have you come to the processing tax?

THE PRESIDENT: Not even that yet.

Q Have you come to decide on the revenue?

THE PRESIDENT: Not yet. I am afraid there isn't a story in it. I know all about it and I couldn't write one.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #277,
Executive Offices of the White House,
February 21, 1936, 10.40 A.M.

Q Have you read the book, "Old Jules"? It tells all about your Swiss governess when you were a little boy.

THE PRESIDENT: "Old Jules." Kannee, make a note of it. Very good; grand old girl and still alive. I got a letter from her two weeks ago.

We have got to get up at an awfully early hour tomorrow morning.

Q It costs too much.

THE PRESIDENT: Stay up tonight. You have done it before and it is easy.

Q I am trying to get the Pennsylvania (Railroad) to be bighearted.

Q All we are asking is that there be no flat wheels on the diners -- that is all.

THE PRESIDENT: They are having a little argument in the front row as to whether those who are accompanying me tomorrow should stay up tonight or be on the train tonight. I apologize for the hour that we leave tomorrow morning.

Q It is all right if you will get a train for us tonight.

THE PRESIDENT: I don't think there is any news at all.

Q Anything further to say on the tax situation?

THE PRESIDENT: No, just progressing.

Q When do you think you will be able to send it up to Congress?

THE PRESIDENT: I cannot tell yet.

Q Not until after you return?

(The President did not answer the question.)

Q Will the Federal Reserve nomination go up soon?

THE PRESIDENT: Not yet.

Q Anything about Representative Rankin's proposal for a Potomac Valley Authority?

THE PRESIDENT: The only thing was what I read in the paper this morning. Of course the rather obvious thought is that you must have areas that are sufficiently large to make an authority worth while, otherwise you multiply overhead. For instance, if every river on the Atlantic Watershed had an authority of its own, it would be uneconomical.

Q Do you think this is large enough?

THE PRESIDENT: The Potomac certainly is not large enough for a separate authority.

Q How about the Columbia River?

THE PRESIDENT: That is certainly a large enough watershed if you figure it out in square miles.

Q Can you give us your interpretation of the scope of the T.V.A.decision?

THE PRESIDENT: No.

Q As I understand it, the Federal Government wants to continue the Mt.Vernon Park system around Great Falls?

THE PRESIDENT: Really, there are three things that tie in there together.

One is the extension of the Mt. Vernon drive on the other side of the river. I think that was authorized a great many years ago. Then the next step on the Potomac development is this Commission which is working out the carrying of that same parkway up along the Potomac and then turning to the right and going to Gettysburg and then, in addition to that, there has been a good deal of discussion about revamping the old National highway all the way up to Cumberland, up the Valley of the Potomac. The National highway follows the river practically all the way, but the engineering of 1800 and whatever the date was has to be somewhat changed in order to improve the grades and curves. All three of those would tie in to a general highway or parkway development of the whole Potomac Basin.

Q That brings out the fact that some of the things that Rankin is after are already planned for?

THE PRESIDENT: Yes. Then, of course, there is another thing that affects the Potomac watershed and that is the discussion about extending the Blue Ridge Drive north from the Skyline Drive so that eventually it will connect up with the New York-Bear Mountain Park System across the Hudson by West Point and then work up through the Berkshires so as to serve New England.

Q And then it goes south through the Smokies?

THE PRESIDENT: That is already started.

Q Were you speaking of Federal authorities, or state authorities to which the Federal Government might lease Federal projects?

THE PRESIDENT: I do not know; I have not read the bill.

Q When you said you would like to avoid a multiplicity of authorities?

THE PRESIDENT: Federal authorities.

Q Anything to be said at this time on the amount to be asked for relief appropriations?

THE PRESIDENT: Not yet.

Q How about ship subsidy legislation?

THE PRESIDENT: I do not know; you have to ask them on the Hill about that. They know more than I do.

Q Will you comment on the $50,000,000. Seed Loan Bill?

THE PRESIDENT: I cannot yet. It is before me for study. There will be action on it probably -- I think my last day was the twenty-seventh.

Q Do you favor putting first, second and third-class postmasters on civil service at this session?

THE PRESIDENT: We have had one conference about it and I hope there will be legislation.

Q Did you talk to Dr. Arthur Morgan (Chairman of the Tennessee Valley Authority) last Tuesday?

THE PRESIDENT: Yes.

Q Can you tell us anything about the discussion?

THE PRESIDENT: No; I do not think there is anything particular to say about it. Discussed many phases.

Q What will be the next conference of your spending and lending agencies -- another chapter?

THE PRESIDENT: The lending agencies are just about through. I think we will have one more to finish up by next Thursday.

Q Of the spending agencies?

THE PRESIDENT: Of course that continues right along. We meet with them about every three months, and we will have another one next week and probably no more than that until April or the beginning of May.

Q With respect to these first, second and third postmasters, the story has been printed that you will try to cover in all the emergency employees into civil service. Is there anything you can tell us on that?

THE PRESIDENT: The trouble is that there is nothing that can be said generally unless it becomes specific. For example, the people that are employed or were employed under the A.A.A. and will be employed under the new agricultural bill, they would depend somewhat on the permanence of the whole program and that depends on the measure itself. Obviously, when A.A.A. was started you could not go to civil service lists for employees because there were not any and anybody that knows anything about Civil Service knows you cannot have an examination for thousands and thousands of people all over the country and get a list much short of a year. It is a physical impossibility. One gentleman, for instance, suggested that they all be examined locally. Of course, if they are, the personal equation enters into it. If the agricultural program for soil conservation becomes permanent, undoubtedly they will have to be put under civil service as fast as we can.

Q That is some time ago?

THE PRESIDENT: Yes.

Q The same situation exists, then?

THE PRESIDENT: Yes.

Q Any new developments in the Pan-American peace program?

THE PRESIDENT: No. You mean the proposed conference?

Q Yes.

THE PRESIDENT: No.

Q Mr. President, do you favor putting the first, second and third-class postmasters under civil service?

THE PRESIDENT: I started that in 1913 and I have been for it ever since.

Q Do you anticipate going personally to attend the Pan-American Peace Conference, wherever it may be held?

THE PRESIDENT: We do not know that one is going to be held. I answered that last week.

Q Will you tell us what phase of the Merchant Marine bills you discussed with Senator Black?

THE PRESIDENT: I think all phases.

Q Come to any agreement?

THE PRESIDENT: No, not yet, and still in the study stage.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #278,
Executive Offices of the White House,
February 28, 1936, 10.55 A.M.

THE PRESIDENT: I need a little consultation with you (Mr. Durno) and Fred (Mr. Storm) and Eddie (Mr. Roddan) about the job the Smithsonian has done in fixing up the color of the sailfish I caught.

Q (Mr. Storm) It is too artificial.

THE PRESIDENT: They made it too light a blue.

Q (Mr. Young) Those spots don't remain.

THE PRESIDENT: Not after you get it out of the water. You can see the spots in the water.

Q (Mr. Storm) I think it ought to be bluer in the back.

THE PRESIDENT: Yes, and not quite such a dead white in the belly.

Q (Mr. Storm) There seems to be a blue streak that stays after they die.

THE PRESIDENT: We will have a little session with the fish afterwards.

MR. DONALDSON: All in.

THE PRESIDENT: At the close of this session Mr. Storm will deliver a lecture on sailfish at the other end of the room.

Q (Mr. Storm) I am getting in training now for my speech (as President of the White House Correspondents' Association), so it will help.

THE PRESIDENT: Right.

I suppose you want to know about the conference last night on taxes. We talked over and I set very clearly before the Congressional leaders the Treasury needs and I suppose the easiest way is for me to try to put it in words of one syllable, the way I did to them, so we can all understand what the situation is.

The Treasury need is two-fold, both of which needs have not been provided for in the Budget Message of the sixth of January but have been caused by subsequent events. In other words, the January Budget Message balanced the Budget for the fiscal year 1937, with the single exception of relief money. Outside of that, it was balanced, as you know. --

Now, of course the objective is to end the session with the Budget still in balance except for the relief money. How has that estimate of the sixth of January been changed? By two things: First, the bonus legislation and, secondly, the Supreme Court decision.

What do they total? Let us take the bonus first: Paying the bonus now instead of in 1945 means, as I have said before, an additional cost to the taxpayers between now and 1945 of approximately 120 million dollars a year. That is the net additional cost to the taxpayers of paying the bonus at this time. That cost would run for nine years and it means, putting it in another way, under the old bonus law we were setting aside 150 or 160 million dollars a year out of taxes which, accumulated, would be enough to pay the bonus -- would have been enough to pay the bonus in 1945. Paying it now means that we have to set aside the same amount plus 120 million dollars or 270 or 280 millions instead of 150 or 160 millions. Is that perfectly clear? Therefore, that additional amount must be raised by new taxes and I say "new taxes" because those are "new taxes". Now, that is a perfectly correct application of the word "new". They are additional taxes and this will be additional money paid in by the taxpayers of this country.

The other need of the Treasury is to recoup itself or to reimburse itself for the taxes which would have been collected but for the Supreme Court decision in the A.A.A. case, during the current fiscal year and the coming fiscal year -- in other words the fiscal years 1936 and 1937. We have to take those two years together into consideration because the Budget does. The Budget runs to the first of July, 1937. How much will the Treasury be out of pocket because of this decision during that period -- the current fiscal year and the coming fiscal year? The amount is one billion and 17 million dollars. The Treasury in some way must get that money back. In other words, it must be reimbursed and, if it is reimbursed for the sum of one billion and 17 million dollars, then it will be in exactly the same position that it would have been if the A.A.A. decision had not been handed down. Taxes to bring that amount, one billion and 17 million dollars into the Treasury, will not constitute new taxes in the sense that they are additional payments by the taxpayers over and above what they would have paid, but are exactly the same amount that they would have paid under the old law.

Q Mr. President, how will that be raised?

THE PRESIDENT: Now you come down to the details of that one billion and 17 million dollars.

In the first place, it seems fair and equitable that those taxpayers who went to court and did not pay their taxes or had their taxes put into escrow and then returned to them should be put on the same footing, ethically, morally and every other way as those taxpayers who did not go to court and who actually paid their money in. Now, the most practical way of handling that is to put on what might be best called a "windfall tax" on the amount that was handed back to them by the court -- a special tax which would be levied on those who got a windfall by the return of the impounded monies.

The objective, of course, would be to get it from whoever was the beneficiary of the windfall. In other words, it would not apply of necessity only to the original taxpayer. The original taxpayer might have entered into a contract by which, if he got a recovery, he would turn it over to somebody else. In that case the somebody else is the beneficiary of the windfall and would pay the special tax on this year's windfall.

Now, that is item one. The amount involved in that, which you may want to know, probably the receipts from that would run, oh, 150 million dollars.

Q That is the amount of the windfall?

THE PRESIDENT: Yes.

Q "Windfall?"

MR. EARLY: The word "windfall".

THE PRESIDENT: Oh, yes; you can use "windfall". That is all right.

Q That would be a percentage of the windfall?

THE PRESIDENT: Yes.

Q That is not the whole windfall?

THE PRESIDENT: No, no; it would be a very high percentage. Of course, in some cases, taxpayers can prove that they do not benefit by the windfall.

Q Have you found any means to levy what might be called the special tax against the people who get the windfall?

THE PRESIDENT: That is the objective.

Q I was asking for the method.

THE PRESIDENT: I don't know. That is beyond me. They say it can be done.

Q Would they have an opportunity to prove whether or not they had got this windfall?

THE PRESIDENT: Oh, yes. This is an equalizing tax. It is a tax to bring everybody out approximately on the same basis.

Q Do you think those processors would readily give up the money for such a tax or would they go into court as they did before?

THE PRESIDENT: I think you will have to consult a clairvoyant.

Q When they say it can't be done, do you mean the Members of Congress?

THE PRESIDENT: The Treasury. They say it can be done.

Q It can be done?

THE PRESIDENT: Yes.

Now, that leaves you about a billion dollars. Now, what is that billion dollars? It is this year's processing taxes and next year's processing taxes, both of which have been outlawed. Therefore, I think you can put it this way: That about half of that, or about 500 million dollars can properly be replaced as a permanent tax in some form. In other words, that would take the place on the Statute Books of the former permanent processing tax and would bring in about the same amount. That would cover the needs for 1937, 1938 and so on. But we are still -- the Treasury is still shy this year's 500 million dollars.

Now, we discussed the possibility of retroactive taxes -- not last night, but have been talking about it for some time -- and retroactive taxes are probably Constitutional but rather difficult to levy and in a good many cases work a hardship, therefore we are not very keen about retroactive taxes to bring in this other 500 million dollars.

Q I beg your pardon, shouldn't that be 350 million because you get 150 million from the windfall tax?

THE PRESIDENT: I am not counting it that way, because the windfall tax you can count for the bonus. In other words, it is not a billion dollars all told. It is a billion dollars plus the bonus. In round figures, 500 million dollars is what the Treasury Department loses on A.A.A. and we have to get 500 million dollars somewhere. That 500 million dollars would be a temporary tax. Whether it would be all collected in one year or spread over two years or three years is not very material. But, in some way, we have got to get back into the Treasury, in the course of the next few years, this 500 million dollars we have missed out on in this current year.

So you have really the three things: First, 120 million dollars a year in new taxes, brand new taxes, to cover the bonus. Then you have got 500 million dollars a year in taxes to take care of the -- to take the place, year in and year out, of the A.A.A. and, third, you have some kind of a temporary tax for a period of one, two or three years to reimburse the Treasury for the 500 million dollars that it has missed out on this year.

Now, that is all that happened and the Chairman and the leaders on the Hill understand the situation thoroughly and I will send up a Message, I suppose the early part of the week, saying exactly what I have said here today.

Q Where do you get the term "windfall tax"? Is that a well-known term?

THE PRESIDENT: No. I found it in one of the papers -- not newspapers.

Q Did you make any recommendations to the Congressmen as to the form?

THE PRESIDENT: No, nor will I.

Q Will the windfall collection come from possible court procedure or from legislation?

THE PRESIDENT: Oh, legislation.

Q Will the Treasury Department submit estimates as to what could be raised in various forms of taxation?

THE PRESIDENT: Now, you have the cart before the horse. The procedure will be, this year, exactly what it has been in previous years. I will tell the Congress how much money we need to raise all told which, in this case, is replacement or reimbursement of about a billion and 17 million and another 120 million for the bonus and then the Congress will say to the Treasury Department and to me, "What would this tax bring? What would the other tax bring?"

In other words, they will investigate all kinds of forms of taxes and the Treasury will give them the information as to the amount of money each of these plans would bring in. And of course there are, as we all know, ten, fifteen, twenty different kinds of taxes that have been discussed in Congress and in the Treasury and there are various combinations of those ten, fifteen or twenty forms. And the Congress will do what it always has done, decide on what particular form they are going to pick.

Q The revenue need is to replace the processing tax and is chiefly for the agricultural program. Is it safe to assume that the tax will be placed on agricultural products?

THE PRESIDENT: You will have to ask the Ways and Means Committee.

Q On this windfall tax, will you explain whether that will be in the form of an [excess] express profit or corporation tax? It will be very difficult to explain as to how it will be applied.

THE PRESIDENT: I don't know. I suppose, offhand, it will be in the form of an income tax, a tax on a special form of income. Wouldn't you think so?

Q Same as the 1919 law. You had a court decision on that.

THE PRESIDENT: I don't know.

Q The Hoke (?) case?

THE PRESIDENT: I don't know.

Q Did you tell the leaders of any type of taxes you would not approve?

THE PRESIDENT: No.

Q This would be a tax bill, then, for $1,137,000,000.?

THE PRESIDENT: Approximately, but not all of that as a permanent tax.

Q Not all, necessarily, for more than one year?

THE PRESIDENT: In other words, the agricultural part, the only permanent taxes, would be $500,000,000. The permanent would be nine years, assuming the bonus tax would be repealed at the end of nine years.

Q It would be $620,000,000. approximately of this year's taxes, and the rest might be divided into two or three years?

THE PRESIDENT: Yes, that is right.

Q You said that the windfall tax would bring in approximately the same amount as would be required for the bonus tax for this year. Did you mean the windfall tax would meet the bonus tax?

THE PRESIDENT: No, I did not mean to tie it up. On my total figures it was simpler to figure it that way. It has no relationship to the bonus.

Q Approximately $500,000,000. in permanent taxes for agricultural relief and soil conservation. Would that be segregated, or go into the general fund?

THE PRESIDENT: General fund.

Q Any possibility that a tax might be levied this year that would be retroactive on last year's income? Is it too late to assess a tax?

THE PRESIDENT: Legally, no. We have done that once before.

Q Of course that would almost have to be done before March 15th?

THE PRESIDENT: I did it up in Albany. We passed it on the 15th of March and gave them a month to get the forms out.

Q Where did the item of relief figure in the setup?

THE PRESIDENT: The item of relief did not figure here, it figured on the Budget setup, and the item of relief restores the original Budget figures. So, if taxes for this amount are put on, the Budget will be restored to what it was at that time.

Q Getting back to the legal aspect of retroactive income taxes, you do not mean that would apply to be retroactive on individual income taxes? Only on special?

THE PRESIDENT: Yes.

Q Will this prolong the session?

THE PRESIDENT: Ask the Ways & Means Committee. I hope not.

Q Do you expect to make a statement when you sign the Neutrality Bill?

THE PRESIDENT: Which bill?

Q Neutrality?

THE PRESIDENT: I think so. I am not sure. It may be done this afternoon, or tomorrow at the latest.

Q In that connection, will your statement explain that Americans who make any transactions with the belligerents --

THE PRESIDENT: (interposing) Better wait until I make it.

Q You said about the bonus that 150 to 160 million dollars are being covered into the Treasury every year?

THE PRESIDENT: It is in the Budget this year. 150 million was in the Treasury this year.

Q You said that about 150 million dollars would be returned to the Treasury, if possible, and that the entire tax paid back would amount to somewhere near 300 million dollars. Does that mean that this would actually absorb about half the processing tax?

THE PRESIDENT: That is just the estimate of the Treasury, somewhere between 250 and 300 million dollars that was returned, and they would get back about 150 million dollars.

Q 500 million dollars has got to come back in this year, and the other spread over a period?

THE PRESIDENT: What?

Q 500 million has to come in this year?

THE PRESIDENT: No, I said that could come over a period of one, two or three years. As long as we get it back some way and some day.

Q Did you, by any chance, tell the members that you were warning them?

THE PRESIDENT: My Message on the Seed Loan Bill did that.

Q When will you sign an Executive Order on the seed loan allocation?

THE PRESIDENT: Probably this afternoon.

Q Will that contain $30,000,000., or has the amount been fixed?

THE PRESIDENT: The Order -- I will tip you off on this beforehand -- the Executive Order on the seed loan will speak of an amount not to exceed $30,000,000., and not to exceed $200. per individual loan.

Q Has there been any estimate of a net amount that will have to be raised to redeem the bonus bonds?

THE PRESIDENT: No.

Q Do you know approximately how much is in that sinking fund?

THE PRESIDENT: Here again, I will have to say, off the record, about 400 million.

Q And the estimates have been that probably a billion will be needed?

THE PRESIDENT: I do not think anybody knows that.

Q Did you consider including in this Message any recommendations about the processing taxes already paid but not impounded? Will there be any legislation stopping taxpayers from attempting to recoup for the processing taxes already paid, and making a profit on the windfall taxes?

THE PRESIDENT: I don't know. I think you will have to ask the Attorney General about that. That is a little bit over my head.

Q There will be suits to recover processing taxes already paid?

THE PRESIDENT: I don't know whether there will be legislation or not.

Q If the Congress will pass additional bills for seed loans or rural electrification, it will add to this tax bill, wouldn't it?

THE PRESIDENT: Not necessarily.

Q Of course --

THE PRESIDENT: (interposing) Just to illustrate, take rural electrification: If the amount that was actually loaned in the course of the next year were not too high, it might be taken out of Jesse Jones' lending fund, which would not make it appear in the Budget.

Q When do you contemplate sending up your Message on relief requirements?

THE PRESIDENT: I do not know whether I will send that up before I go fishing or when I come back.

Q When do we go fishing?

THE PRESIDENT: I hope the end of March.

Q Would you care to make any comment on the Hagood affair?

THE PRESIDENT: No, no news on that.

Q Our responses from Latin America indicate that Buenos Aires will be the scene of the conference.

THE PRESIDENT: I do not know. The State Department has not told me and won't tell me until they get all the replies. Yesterday I think they had twelve replies.

Q Didn't you say in your letter that Buenos Aires would be the scene of the conference?

THE PRESIDENT: No.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #279,
Executive Offices of the White House,
March 3, 1936, 4.00 P.M.

THE PRESIDENT: Well, you all had a lot of news today.

Q (Mr. Storm) We got a workout this morning on the Tax Message.

What became of that stuffed mackerel they had up there on the board? They did a lousy job on the sailfish.

THE PRESIDENT: I don't think it is so good.

Q I think they should have mounted it rising out of the water.

THE PRESIDENT: There isn't anybody in Washington ever saw a sailfish in the water.

Q Did you send it back?

THE PRESIDENT: I gave him some suggestions as to that sky blue on the sail.

Q Those spots should not be there, too.

THE PRESIDENT: They are too bright. There are spots there but they sort of come through, you know.

Q The belly is too white.

THE PRESIDENT: I told him to tone that down and make it sort of milky white instead of creamy white. That is the trouble. However, it is a damned goodlooking fish.

Q A nice big one, the biggest I ever saw.

MR. DONALDSON: All in.

THE PRESIDENT: Well, you all got the news this morning. I don't think there is any more.

Q Did you revive N.R.A. at your luncheon conference today?

THE PRESIDENT: No.

Q Can you tell us about that conference?

THE PRESIDENT: Just talked about the general facts -- I suppose you would call it facts -- in relation to unemployment, a very wide field, and whether it is possible for industry to take care of more people. It was just a general discussion.

Q What were the conclusions?

THE PRESIDENT: Just general discussion. We don't take a vote after these conferences.

Q In that connection, Mr. President, did the Labor Department figures bear out the Labor Federation's recent report showing a large increase in employment?

THE PRESIDENT: You will have to get the Labor Department's figures. I do not know what they were but they showed that there were a great many more people employed than in January, 1935. It depends on your comparison. Of course there is always a drop between December and January, every year. Now, what the percentage is, I do not know, but the fact is that there are -- I would be afraid to give you the figures.

Q Does that mean the A.F. of L. figures were wrong?

THE PRESIDENT: No, I don't know. I have not compared them and do not know anything about that.

Q What are the prospects of a new Assistant Secretary of the Navy soon?

THE PRESIDENT: Nothing at the present time.

Q Are you considering Captain Edward Macauley of San Francisco for that post?

THE PRESIDENT: I have not considered anybody.

Q Do you think it will come soon, sir?

THE PRESIDENT: No.

Q What about the appointment of the Commissioner of Reclamation?

THE PRESIDENT: Fairly soon on that, I think.

Q What about the last member on the Federal Reserve Board?

THE PRESIDENT: Still going over a lot of names.

Q Senator Copeland said this afternoon that the so-called compromise Merchant Marine Bill was an Administration measure. Can you tell us anything on that?

THE PRESIDENT: All I know is that the last I heard was that the Postmaster General and the Secretary of Commerce were huddled over the bill together. I have had no reports since that.

Q Mr. Copeland said you sent them up there. Is that correct? (Laughter)

THE PRESIDENT: Well, it is correct in this sense: I said, "For heaven's sake, will you fellows go up there and see if you can straighten this out?" Those were the only instructions.

Q There are some reports that orders have gone out to the heads of the various Government departments, including the Army and Navy, rather a gag rule, when they appear before Congressional Committees in the future.

THE PRESIDENT: I suppose we might just as well step on that with both feet. Those reports are made out of whole cloth and I think we can characterize it further by saying that I have noticed reports on that in the Hearst press, and that is sufficient evidence.

Q Where?

THE PRESIDENT: "Where?" says somebody in the front row.

Q Can you tell us anything about General Hagood?

THE PRESIDENT: No.

Q With respect to this tax program, what is your theory on the argument that this new tax will prevent corporations from building up reserves to meet another depression?

THE PRESIDENT: I think the easiest way to put it is to be careful of your terminology. There are two distinct things: One is reserves and the other is surplus. If you will look up the corporate definition of those two words you will see exactly what it is intended to do. Any corporation has a right to set aside a proper amount for reserves to carry on its business. Every corporation has a right to set aside a figure for reserves before you arrive at the figure for net earnings.

Q In a depreciation account?

THE PRESIDENT: Yes, or working capital.

On the other hand, a surplus is a very different thing. That is undistributed earnings which are not necessary for the immediate conduct of the business.

Q Mr. President, reserves could not be used for dividends in a lean year?

THE PRESIDENT: Every corporation, on an accounting, has a right to set aside an adequate amount for reserves before they arrive at net earnings.

Q But could that be used for dividends later on?

THE PRESIDENT: That does not become taxable.

Q Could a reserve of that kind be used to meet dividends in a depression year when the company is not earning any money?

THE PRESIDENT: I should say so, if they did not need the reserves.

Q It could be used to pay wages, could it not?

THE PRESIDENT: Yes.

Q How do you arrive at "adequate"?

THE PRESIDENT: I suppose the way they arrive at it today. They always have that problem on every corporate accounting.

Q It would increase the velocity of money. Wouldn't that be one of the objectives?

THE PRESIDENT: Yes.

Q Some time ago the Budget Department sent around a memo which has been variously construed as a check on Government departments. Do you know about that memo?

THE PRESIDENT: I would not say it had been variously construed that way. I would say it would be construed by people who want to construe it that way.

Q The departments themselves.

THE PRESIDENT: It is the same rule that has been in effect the last three years. Nothing new. All it means is this: If some Congressman has a bright idea and he has a bill and he goes down to the department, well, before the department embraces the bill, they are supposed to check with somebody and find out whether it is within the Administration's spending policy or general policy. That is all. There is nothing new in that. They have always done that.

Q In estimating the amount of money you will need for relief, are you considering all the needy employees or the 3½ million on W.P.A.?

THE PRESIDENT: Only the employables.

Q All needy employables in the country?

THE PRESIDENT: As far as the money will go around.

Q In estimating, how much you will ask for?

THE PRESIDENT: As far as we can tell.

Q In your Budget Message you said in about two months you would be ready to give your relief estimate?

THE PRESIDENT: I think the relief estimate will go up somewhere -- what is today, the third? -- somewhere between now and the tenth of March, so there won't be much more delay. Actually, I am working on it at the present time.

Q Do you estimate there will be considerable unexpended balances from the present $4,000,000,000. fund?

THE PRESIDENT: No.

Q There will be money not expended in this fiscal year carried over to next year?

THE PRESIDENT: Of course, if we use any part of the $4,000,000,000. fund on what might be called a permanent brick and mortar proposition that everybody has been talking so much about, obviously you cannot finish that project within one year. Take the simple example of the Triborough Bridge in New York: It takes three years to build that. Nobody ever thought that the whole $4,000,000,000. would be actually spent out of the Treasury by the first of July of this year. I say, "nobody thought." Nobody in their right mind, that was.

Q Can you tell us about the Rural Electrification setup?

THE PRESIDENT: I think they are working out a solution.

Q They have submitted it to you?

THE PRESIDENT: Yes.

Q Is it satisfactory?

THE PRESIDENT: Yes.

Q Tomorrow is your third anniversary as President of the United States. Is there anything that you -- any special comment you care to make at this time?

THE PRESIDENT: Let us say it is the fourth. It is the fourth, and for the fourth time I am going to work all day.

Q Mrs. Roosevelt said, when the Press asked her, that she had found her three years or four years very educational. (Laughter)

THE PRESIDENT: That is all right; that goes for me, too.

Q But she outlined several educational aspects of it.

THE PRESIDENT: Swell. I would outline them all.

Q Getting back to relief, has any money been transferred from any relief agencies back to W.P.A. lately? I think you were considering something of that kind?

THE PRESIDENT: I don't think there have been any transfers lately.

Q W.P.A. is about to run out of funds, isn't it?

THE PRESIDENT: That is one of our problems, to tide W.P.A. over during the months of May and June. We are scraping the barrel.

Q Secretary Hull is going to make a big speech over in Baltimore on the fifth. Will he be speaking for the Administration?

THE PRESIDENT: All I know is the general subject of his speech and I think it is fairly important. I have not read the speech but I have full confidence that what he says will be of some interest and importance.

Q In this new tax on corporation undivided profits, will there be any allowance made under that plan for railroads to use part of their undivided profits for retirement of debt before it would be taxed?

THE PRESIDENT: I don't know. In other words, those are details that have to be worked out in the drafting of the bill. It is just like the question as to whether bank net earnings would be subject to the tax.

Q Is Senator Norris going to take part in the Norris Dam dedicatory exercises tomorrow?

THE PRESIDENT: Yes, we are going to push the button twice and a large siren will blow each time and each time another gate will be closed, or a series of gates.

Q Going back to this tax action, will it be possible for a man to make capital investment of surplus without taxation?

THE PRESIDENT: What is that?

Q A capital investment?

THE PRESIDENT: On that question, I am glad you asked that point because I think that is one reason for the bill. Here has been one of the corporate troubles in the past: Suppose -- let us take some kind of a concrete case. Suppose you (Fred Storm) and I have got a nice little corporation that is making good money and you and I, between us, control 51% of the stock and all of the rest here present are also stockholders. In other words, there are another 150 stockholders but you and I control 51% of the corporation. The corporation makes a nice profit this year of $100,000. You and I control it and we say to ourselves, "We can get along without any dividends this year because we have outside sources of income." But the other members of the Press really need the dividends. But you and I, because we have outside sources of income, we decide we won't distribute that $100,000. but we will take that $100,000. and put an addition to the plant with it, with the idea that eventually we will make more money. Thereupon all the others, the 150 stockholders, come in and protest. We say, "Awfully sorry, but we think this is the best policy," and so we make no distribution, but we put that money into additional plant.

Now, that is not exactly fair. What is the right method of adding to the plant in the last analysis? It would be this: that you and I, in control of the corporation, would pay out this $100,000. to the other members of the Press, all the other stockholders, so that there would be a complete distribution of the $100,000. At the same time, we send an offer to all of these stockholders. You and I have got $51,000. between us and they have got $49,000. We send out an offer to them, "Would you like to subscribe your share of the $100,000. to new stock with which to put up an addition to the plant?" You and I believe in the thing and you and I will subscribe. We will receive, in dividends, $51,000. and we will put it back into the company. We buy new stock. But there are some stockholders who want to spend their share of the $49,000. some other way and therefore they do not subscribe to the new stock. Well, we go out and try to find somebody that will take up the stock they did not subscribe to.

There is a perfectly clean deal. If the stockholders do not need to use their dividends and they believe in the company, why they will come in and we will get our $100,000. to put in the new plant.

Q Minus taxes --

THE PRESIDENT: (interposing) Now, that is one of the things that this proposed Message will help to bring about more largely than at the present time. You and I know that there are a good many corporations in this country which have been in position, in the last ten or fifteen years, to declare dividends practically every year and so far have completely failed to declare a single dividend, and that is because of the fact that they are controlled by a very small number of people who prefer not to have the disbursement made to them in the form of dividends and prefer that it be reinvested. Through control they have prevented the other stockholders from getting anything out of the company and have forced through their own policy of using all profits for the expansion of the business instead of distribution of the earnings.

That is a point of view which cannot be emphasized too strongly.

Q Won't that tend to retard expansion of the country?

THE PRESIDENT: On the contrary, I think it will extend expansion. I think it will also tend to prevent unnecessary expansion because it will be out in the open and everybody will know what this money is going for and why it is being spent.

Q You did not have in mind the idea that this might be made retroactive to cause distribution of moneys --

THE PRESIDENT: (interposing) This does not go back to existing surpluses.

Q There have been ideas in the past to prevent their getting rid of the taxable surpluses before this bill becomes an act?

THE PRESIDENT: It is not my thought that they are taxing existing surpluses.

Q It would be all on the 1936 income?

THE PRESIDENT: Yes, the calendar year 1936.

Q In putting back this surplus in plant expansion, they also avoid paying income taxes?

THE PRESIDENT: Yes?

Q Do you believe this plan will increase the revenue from income taxes?

THE PRESIDENT: That is the point. Take a simple illustration: Suppose there are $3,000,000,000. this year of undistributed earnings. Now, this tax would not apply at all if the $3,000,000,000. were distributed, but the Government would get exactly the same amount of money through the personal income tax returns, if it were distributed.

Q There must be a point in your percentage as to how much you recover. Has that been discussed, or will it be necessary to increase the individual income tax returns other than the exemption of stock dividends?

THE PRESIDENT: No, I think not.

Q No increase on individual incomes necessary?

THE PRESIDENT: No increase on individual incomes necessary, except that surtax on dividends, which is a replacement. The theory of dividends not being taxable is on the theory that already the corporation has paid all the tax.

Q Can you make known your Treasury Department figures on what the exact amount of undistributed surplus or reserve was at the end of February?

THE PRESIDENT: You mean up to now? I don't know.

Q It would be over $3,000,000,000., wouldn't it?

THE PRESIDENT: What figure did I give in the Message?

Q Over 4½.

THE PRESIDENT: It is estimated that the way it is running in the last half of 1935 and beginning of 1936, that undistributed earnings will amount to 4½ billion dollars in this calendar year 1936.

Q What is to prevent a corporation from placing its surplus in excessive depreciation reserves?

THE PRESIDENT: Nothing to prevent them any more than at the present time. There is supposed to be a method in the Treasury Department and in the accounting and in various decisions made as to where the line is drawn between reserve and surplus.

Q If you collect $1,600,000,000. out of this expected 4½ billion, that works out about 30 per cent or 35 per cent. Have you given any thought to the range of these taxes in percentages?

THE PRESIDENT: No.

Q It will have to be based on some sort of capitalization, will it not? because A.T. & T. (American Telephone & Telegraph Company) has tremendous reserves and yet they are not large when compared to their capitalization?

THE PRESIDENT: Now, it is getting over my head.

Q I think a $100,000. corporation could have a very small amount of income undistributed, whereas the A.T. & T., if they had a good year, might have $100,000,000. Would there be the same rate on those?

THE PRESIDENT: I don't know. I frankly do not know.

Q Will one effect of having the stockholders given a chance to say whether they want to invest or not -- would one effect be to strengthen the operation of the Securities Act?

THE PRESIDENT: I do not think it strengthens it or weakens it. I suppose any new stock offering has to come to them to get their approval, and, of course, the theory there is merely to tell the truth about it.

Q Would any kind of reserves except depreciation reserves be exempt from the taxes?

THE PRESIDENT: I do not know enough about the accounting end of it. I do not know how many different kinds of reserves they have in the Bureau of Internal Revenue.

Q Mr. President, does this same thing apply to partnerships as well as corporations?

THE PRESIDENT: The idea is -- I do not know enough about the technicalities. The thought is it would put partnerships and corporations on the same basis.

Q Doesn't it more or less add to the need for the elimination of tax-exempt securities?

THE PRESIDENT: Of course we have always had the problem of the need but nobody has shown us the way out.

Q Won't your need be greater?

THE PRESIDENT: I think so. I have always been in favor of eliminating tax-exempt securities.

Q Thank you, Mr. President.

Q That was a nice little corporation you fixed up for us. (Laughter)

CONFIDENTIAL
Press Conference #280,
Executive Offices of the White House,
March 6, 1936, 10.40 A.M.

THE PRESIDENT: I think we are going to have a nice quiet week end.

Q Going to put the lid on tomorrow?

THE PRESIDENT: Sure. Do it this afternoon, late.

Q (Mr. Storm) I have to prepare my inaugural this afternoon. I am going to give the Senator's (Mr. Young's) 32-B.

Q (Mr. Young) I will get you later.

MR. DONALDSON: All in.

THE PRESIDENT: I thought we might as well put the lid on this afternoon so as to let Fred (Mr. Storm) prepare his inaugural, and between now and then I do not think there is any news anyway.

Q I have two questions, one of local interest and of great national interest. (Laughter) The first one was that I understand you have suggested to Mr. Farley -- I do not know whether it is a suggestion or recommendation -- to put out a new series of stamps to pay homage to Navy and military heroes and old forts.

THE PRESIDENT: We have been talking about it and have not come to any definite decision yet. It has been talked about for twenty years and it was started when T. R. (President Theodore Roosevelt) was here.

Q Battle sites, or just individuals?

THE PRESIDENT: Army and Navy officers.

Q Wasn't the purpose to educate people to the traditions of the Army and Navy?

THE PRESIDENT: We hoped we would have something else this year.

Q How far has that progressed?

THE PRESIDENT: Just to the discussion stage. They have even gotten to the point of deciding which heroes would go on the stamps and it is a difficult problem.

Q Would it go as far back as the Revolution?

THE PRESIDENT: Oh, yes.

Q How many stamps would there be?

THE PRESIDENT: Small series, about five.

Q The other question was: Do you think that the $2,700,000. is a fair contribution of the Federal Government to the District of Columbia? It was cut down that much, if you will notice in the papers?

THE PRESIDENT: I am not talking about it out loud except to call your attention to the Budget figures at this stage.

Q You approved the Budget figures on that, sir?

THE PRESIDENT: Yes.

Q Can you tell us anything about the relief conference held last night at the White House?

THE PRESIDENT: Just another one, that is all. We will have still another one in the next few days.

Q Has the button industry shown any activity in sending you buttons for your white weskit?

THE PRESIDENT: No, but I have had suggestions from what they call the P.P. to substitute zippers. (Laughter)

Q That is a good one.

Q Have you found the other ones?

THE PRESIDENT: Yes, they are all right. I think they probably turned up in the wash. That is what generally happens.

Q Can you tell us anything about the tax bill?

THE PRESIDENT: No. There isn't any more news at this end.

Q Have the conferences with the spending agencies been completed?

THE PRESIDENT: Well, they will continue right along, once a month.

Q Have you reached any conclusion on any money that can be saved in the spending agencies?

THE PRESIDENT: We keep on reaching conclusions almost every week. We take a little here and a little there. We are getting down awfully close to the bottom of the barrel.

Q Any figure set?

THE PRESIDENT: No, I cannot give you any total. Still scraping.

Q Any news on the funds for W.P.A. during the two months?

THE PRESIDENT: That is what we are trying to scrape for.

Q Are you contemplating any action in connection with the Hagood case?

THE PRESIDENT: No.

Q Thank you, Mr. President.

THE PRESIDENT: I think everything else is all quiet.

CONFIDENTIAL
Press Conference #281,
Executive Offices of the White House,
March 10, 1936, 4.00 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Completely flat day; no news.

Q No questions.

THE PRESIDENT: Spring fever has attacked most of us.

Q Mr. President, --

THE PRESIDENT: (interposing) What is this, fudge? (The President was jibing the correspondents about the omission of dessert, presumably icecream, from the dinner given by the White House Correspondents' Association the previous Saturday evening.)

Q Can you tell us anything --

THE PRESIDENT: (interposing) Yes, I like icecream but -- but it is bad for me.

Q We are going to have a dinner for the Vice President and we promise to serve icecream at that one.

Q Beginning with icecream. (Laughter)

Q Can you tell us anything of your discussion today with Ambassador Bingham?

THE PRESIDENT: Chiefly about Georgia quail.

Q I started writing here very fast.

THE PRESIDENT: No, that was all. Just pleasant talk.

Q When do you think you will be able to send up the relief budget estimates?

THE PRESIDENT: Before the nineteenth -- before 3.00 P.M. on the nineteenth.

Q Anything to say about a housing program?

THE PRESIDENT: Not yet. I wish you could help me.

Q Did you say, sir, on the nineteenth?

THE PRESIDENT: Yes.

Q Why the nineteenth?

THE PRESIDENT: Because, Fred (Mr. Essary), I think that after 3.00 P.M. on the nineteenth it will be too late. I will be on the train.

Q Oh! (Laughter) I did not know you were going away. (Laughter)

Q How much of a head start do you expect to have, Mr. President? (Laughter)

THE PRESIDENT: I may drop it in, in the Capitol, on my way to the train; I don't know. (Laughter)

Q There is a rumor around town -- I do not know where it started -- that the Message may go up this week?

THE PRESIDENT: Not a chance this week. We haven't even decided what it is going to contain, let alone writing it.

Q Mr. President, can you tell us anything about your conference yesterday with the Labor Housing Committee?

THE PRESIDENT: There isn't any news on that. The only tip I can give you is that nobody is agreed what form a Housing Bill will take. I cannot find any two experts that agree. I cannot find any two real estate men that agree, or any two contractors, or any two builders, or financiers. They do not, any to them,agree. It is an awful mess. We are still trying to put it together and I don't know whether I will be able to get it together before I leave or not. We are all working on it and that is really the beginning and end of the news on housing.

Q What are the principal points of disagreement on housing?

THE PRESIDENT: Of course, there are two phases on housing. One is low cost, individual family or two-family house, to which the Government would not make any contribution. That becomes, primarily, a method of financing. That is a case for private capital, not for any Government contribution.

At the other side of the picture is the slum clearance problem, which everybody is agreed cannot be carried on without some kind of Government financial aid, and that brings it to a question of how much financial aid from Government and what form it will take. It is the same old question. In these slums, you have an element of population that can afford to pay only a very, very small monthly rent and you cannot get private capital to go in and give them better living conditions for the same rent they are paying now, because the private capital cannot make a profit at it. It is perfectly obvious. Therefore, there must be a Government contribution, just so long as you have an element in the population that can only afford to pay this very, very low rental.

That states the whole problem.

Q Can you tell us whether your idea is turning toward a permanent setup or toward a continuation of handling this on an emergency basis?

THE PRESIDENT: I do not think we have even got to a discussion of that. It is a question of what form immediate help would take through legislation passed this year. Whether it will be permanent or not, we have not got to that yet.

Q Does that mean you are opposed to a proposal for Federal loans for construction of low-cost homes?

THE PRESIDENT: Federal loans won't do it. Slum clearance --

Q (interposing) I am talking about low-cost homes.

THE PRESIDENT: Low-cost homes -- there are all kinds of methods of financing. That is a different thing.

Q You said a moment ago it was a field for private capital?

THE PRESIDENT: Yes. Of course there might be some kind of Government assistance by way of guarantees, but that is only one of the many suggestions made.

Q When you started out on slum clearance before, a good many of those projects, or some of them at least, became developments instead of cleared areas, and the slums still stay. Is there going to be any assurance, if there is another slum clearance program, that it will really be a slum clearance program?

THE PRESIDENT: Where, for instance?

Q In Buffalo, for instance, there was a slum clearance proposition and the houses are now being built on a farm.

THE PRESIDENT: The houses are being built elsewhere?

Q Yes, not in the slum area at all and, in the slum area, the houses there still stand. This throws it directly in competition with the men who finance their own homes.

THE PRESIDENT: I cannot tell you about that Buffalo proposition. I do not think there are many like that.

Q Those labor leaders who were here yesterday, I think it was, gave me the impression that in their proposition there was either no slum clearance or they were opposed to a slum clearance program as far as they were concerned.

THE PRESIDENT: They were very much in favor of slum clearance.

Q Then I got entirely the wrong slant.

THE PRESIDENT: We are all agreed that you have to separate slum clearance from ordinary home building. They are different propositions and one can be done essentially with private capital.

Q A number of organizations in the building industry have said that they were opposed to Government activity in housing except for slum clearance, that any other housing is a matter of private enterprise.

THE PRESIDENT: If they can produce cheap enough homes for the people that need it, that is fine. I cannot find any of them that will bring a home within the purse of those who get twelve or fifteen hundred dollars a year. They can offer plenty of houses for people with incomes of three thousand and five thousand dollars a year, but they are a small element in the total population. I am all for them doing it, but they haven't showed us the way.

Q Has the Government found the way?

THE PRESIDENT: No; that is what we are working on.

Q Can you tell us anything about the Captain Roberts report of the Secretary of Commerce on wages and hours in the N.R.A.?

THE PRESIDENT: I cannot tell what it is.

Q It has become a mysterious report. There are several reports on it, on the increase in hours and decrease in wages in N.R.A., et cetera.

THE PRESIDENT: That is being checked.

MR. EARLY: The Department of Commerce is going to make a report, to be released with the Department of Commerce study that they are now preparing, and they want a simultaneous release on it about the first of the month.

THE PRESIDENT: About the first of April.

Q That is the Captain Roberts report, I take it?

THE PRESIDENT: I do not know.

Q Would you care to comment on the McAdoo Resolution for the establishment of another World War Debt Commission? Have you any views you care to express?

THE PRESIDENT: No.

Q The building service unions in New York are picketing and complaining that the landlords in Knickerbocker Village, largely built by R.F.C. funds, are refusing to mediate. Is there anything the R.F.C. can do about it?

THE PRESIDENT: I have not heard anything about it and cannot comment on it.

Q Are you ready to announce the appointment of a new Assistant Secretary of the Navy?

THE PRESIDENT: No.

Q There is a report that Chester Davis is going abroad?

THE PRESIDENT: Yes. There is a release on that when you go out and also a letter from me to him which he will give out.

Q Have you seen the United Press story of Mrs. Roosevelt's difficulty in Ohio?

THE PRESIDENT: No. Did Fred (Mr. Storm) do that? (Laughter)

Q The Women's Club of Cuyahoga County are going to refuse to attend her lecture unless certain arrangements are made for some politicians, and the story was that Under Secretary Charles West would arrange the matter with the Administration.

THE PRESIDENT: It does not sound like the United Press. (Laughter) There must be something wrong.

Q Can you tell us about your conference with Frank Walsh of the St. Lawrence Waterway Power Authority?

THE PRESIDENT: No, although there is going to be something, a little later on, on that.

Q When we were in Warm Springs, there was something called the Pure Food and Drug Bill. We have not heard anything more about it?

THE PRESIDENT: Ask Senator Copeland. (Laughter)

Q He won't know anything about it.

THE PRESIDENT: I sent a Message to this Congress -- not this session but this Congress.

Q Are you going to be back in time to see John Roosevelt be initiated in the Hasty Pudding Club?

THE PRESIDENT: No, I think not.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #282,
Executive Offices of the White House,
March 13, 1936, 10.40 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: We have been trying to devise some news in the front row but we have not got anything.

Q Any comment today on housing? There have been some more housing conferences. Anything hopeful to it?

THE PRESIDENT: We are going to have one today.

Q Any reaction to your letter to the royal heads?

THE PRESIDENT: I have not had anything yet.

Q The conference on housing was postponed from yesterday until today. Any reason for that?

THE PRESIDENT: No, I think it was because I hadn't read some of the last reports. I have now.

Q Is there anyway in which the St. Lawrence can be handled, either as a power or navigation project, without ratification of a treaty with Canada?

THE PRESIDENT: I had never thought of it. I do not believe there is, offhand.

Q The reason I asked was that Frank Walsh said in Detroit that we should not overlook the fact that a majority of Congress voted for the St. Lawrence Treaty, but that, lacking two-thirds, the Treaty was defeated. I thought perhaps that was a hint that you might do this on a majority.

THE PRESIDENT: No, I had not thought of it. That is a new one to me.

Q There was some indication in your Message, read at that meeting, that conveyed the same idea. I have not got it with me but I know several people got the same impression.

THE PRESIDENT: I am afraid it is just fine imagination. I never thought of it.

Q Are you going to seek a new treaty with Canada on the St. Lawrence?

THE PRESIDENT: Oh, yes. That is not news. You have known it for a long time. There will be negotiations undertaken sometime, but I do not know when.

Q Does this contemplate the Niagara Falls thing at the same time?

THE PRESIDENT: I think it would be better to clean up the whole thing at one time, as far as we can go.

Q When will the Relief Message go up?

THE PRESIDENT: 4.00 P.M. Thursday, the nineteenth.

Q Did you see the story that your Relief Message would ask for relief needs for only the seven months and not for the year?

THE PRESIDENT: Oh, that has been running every week.

Q You say that rather contemptuously. You do not think much of it? (Laughter)

Q Did you see Mayor LaGuardia's request for $3,040,000,000.?

THE PRESIDENT: No, we did not discuss that. We left the memorandum open and discussed an entirely different subject.

Q Is there anything new to say on the Pan-American Conference?

THE PRESIDENT: No, I suppose the State Department will be ready with some kind of a statement pretty soon. I think all the replies, except one, have come in.

Q Are you inclined to recognize the new Fascist Government of Paraguay?

THE PRESIDENT: You will have to ask the State Department.

Q Will you comment on the charge of politics against W.P.A. in some state?

THE PRESIDENT: "Politics" is the answer.

Q Anything on taxes?

THE PRESIDENT: No. The Hill is the source.

Q Do you plan a conference with the Democratic leaders in connection with taxes in the next few days?

THE PRESIDENT: Not any formal conference. Of course I am keeping in touch all the time.

Q Will there be an appointment of a Reclamation Commissioner before you leave?

THE PRESIDENT: I really do not know. Perhaps, and perhaps not.

Q Getting back to the St. Lawrence, do your remarks indicate that a treaty will be sent to the Senate for ratification this session?

THE PRESIDENT: Oh, my, no; not a chance.

Q Are you ready to announce the last member of the Federal Reserve Board?

THE PRESIDENT: Not yet. Again I do not know whether it will be before I go or after.

Q How about a new Assistant Secretary of the Navy?

THE PRESIDENT: Same thing.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #283,
Executive Offices of the White House,
March 17, 1936, 4.10 P.M.

THE PRESIDENT: Russ (Mr. Young), are you coming with us?

Q (Mr. Young) No, they did not think I needed a vacation.

THE PRESIDENT: That is not the real reason?

Q (Mr. Young) Yes.

THE PRESIDENT: The crowd left behind does need to be chaperoned. Those that go down there do not need it. They might break loose if the Senator were taken down there.

Q You look like a very friendly son of Saint Patrick.

THE PRESIDENT: This is the real thing (pointing to his tie).

Q You even have an Irish setter.

Q I hope that dog only bites Republicans.

MR. DONALDSON: All in.

THE PRESIDENT: Steve (Mr. Early) has a memorandum for you afterwards on the Pan-American Conference that will be held some time in Buenos Aires. It explains itself and shows that we have had letters of acceptance and replies from all the American Republics except Paraguay, and that is on its way. There was a change of government down there while my letter was on its way to the President of Paraguay and the new President will reply as soon as he gets my invitation. The important thing is that the substantial accord of every one of the American Republics to this suggestion and the real hope we have is that it is going to be not only of practical use but will also cement the real friendship existing between the Republics at the present time.

Every reply goes along with the suggestion of Buenos Aires as the place of meeting and the President of Argentina says, "I take pleasure in offering Buenos Aires as the seat of the proposed conference, accepting the suggestion which your Excellency formulated of holding the conference in its midst. I esteem it as a great honor, for which I am deeply grateful."

As to the date of the conference, that has to be talked over the next two or three weeks through diplomatic channels and I won't know until we have had those conversations.

Q It has been definitely decided that it will be held in Buenos Aires?

THE PRESIDENT: Yes.

Q Has the agenda been worked out for the conference?

THE PRESIDENT: No, that also has to be discussed.

Q Recently there has been considerable dissatisfaction with the Government in Puerto Rico. Is there any disposition on your part or the part of the Administration to give them a more autonomous form of government, or to establish a commonwealth such as there has been established in the Philippines?

THE PRESIDENT: I do not think so. What do you mean by "a more autonomous form of government"?

Q Their own government.

THE PRESIDENT: I have not heard of anything.

Q Is Major Berry's Council to be continued? I understand it expires on April first. I wondered if there is any appropriation, or does it go out of existence without some measure being taken for its continuance?

THE PRESIDENT: That we have been studying for some time. It is a question of funds. As I understand it, they adjourned subject to call. I don't know whether we will pay any of their expenses if they come back.

Anyway, it has been a very useful thing and will probably continue in one form or another.

Q Any idea of when the Relief Message is going up?

THE PRESIDENT: I think tomorrow but I cannot swear to it. I won't know until sometime late this evening.

Q Have the railroad conferees asked you to meet with them today or tomorrow?

THE PRESIDENT: Not that I know of.

Q I believe, sir, you are having a relief conference this afternoon?

THE PRESIDENT: Another one.

Q Do you think there would be any announcement after that conference?

THE PRESIDENT: No, unless you can get it through the usual sources.

Q It has been done, sir. (Referring to the fact that conferees from the Hill had been known to divulge what had transpired at secret meetings.)

Q Don't discourage him.

Q Have you arrived at any tentative figure, Mr. President?

THE PRESIDENT: No.

Q Are you going to take the Message up personally?

THE PRESIDENT: No.

Q Will your Relief Message take care of the situation developing in the District (of Columbia)? There are 30,000 people scheduled to be dropped.

THE PRESIDENT: Referring only to the whole thing on a national scale.

Q Will there be mentioned any specific projects?

THE PRESIDENT: No.

Q What is the next step in the Florida Ship Canal proposition? The Senate has turned down a proposal of $20,000,000.

THE PRESIDENT: I do not know.

Q There has been a great deal of talk of Congressman (James G.) Scrugham of Nevada being in line. Will these revelations on Senator Black have any bearing?

THE PRESIDENT: There has been no revelation in the last month on the fifty some odd names before me.

Q How about the Assistant Secretary of Navy?

THE PRESIDENT: Nothing before I go.

Q Has there been any consideration of the Assistant Secretary of the Navy?

THE PRESIDENT: No. There won't be any new appointments before I go.

Q Save a couple of those for down in Florida. We will be hard pushed for a story.

THE PRESIDENT: I will give you some space filler. I am taking with me a scientific book on fishes, and I will send you the Latin names every day.

Q That will require too much research.

Q Is Peter Grimm going back to private business soon?

THE PRESIDENT: Very soon. I think he has gone, in fact. You know he came for three months and stayed eight, which is pretty good.

Q Is that a holiday, or resignation?

THE PRESIDENT: It is neither. He came for three months and stayed eight.

Q Did he make recommendations on housing?

THE PRESIDENT: He made recommendations as far as one could make recommendations to the point we got.

Q Have you reached any point where you could give us some idea on housing?

THE PRESIDENT: I wish I could.

Q Are they still working on it?

THE PRESIDENT: They are still working on it and will continue until I get back, when I hope we will have something more concrete.

Q Can you give us your view on the size of the American delegation that would be desirable to send to the Peace Conference at Buenos Aires?

THE PRESIDENT: Oh, heavens! We haven't got to it. That won't be done for several months now. I don't know.

Q Can you tell us at this time just who will make up your fishing party when you get down to Florida?

THE PRESIDENT: Yes, I think I can tell you. There will be Pa Watson and Captain Brown and Dr. McIntire and my uncle, Fred Delano, and my boy, Jimmy.

Q What kind of fish do you expect to get?

THE PRESIDENT: I can make a collection of the fish stories written by newspapermen and I would hate to spoil them. It is all right, though. You (Mr. Stephenson) and Fred (Storm) and Eddie (Roddan) never got in wrong because I edited your stories for you. (Laughter)

Q They were not hard to edit, however. (Laughter)

Q Is Secretary Hull likely to head the American delegation to Buenos Aires?

THE PRESIDENT: It won't be brought up for three months.

Q Will you go on the POTOMAC on this trip?

THE PRESIDENT: Yes, unless it is very rough.

Q I don't wish you any hard luck.

THE PRESIDENT: If it is very, very rough, I will probably transfer to a destroyer.

Q There will be destroyers?

Q Transfer from the POTOMAC to a destroyer for heavy weather?

THE PRESIDENT: Yes. (Laughter)

Q Will there be any change in your order for reduction of C.C.C. personnel on April 1st?

THE PRESIDENT: I don't see how anything is possible without boosting the

Budget. That is about the size of it. Then, of course, there is another factor on the C.C.C. Camps that is worth noting, and that is on the present basis of applications from families on relief, we will not have many more applications than the three hundred thousand boys we have estimated for. Of course, the difficulty about changing the rule and letting other boys apply is that there is no place you can draw a line. Lots of you people and I would like to get my boy into the C.C.C. Camp. It would be a fine thing for any boy. If we did not draw the line there would be a lot of people who would probably try to get by with some kind of a hard luck story and it would help them financially if they could get their boys into the C.C.C. at $25 a month for a whole year. It represents a very hard problem. There are a good many people in this country who are not on relief and whose sons cannot get some kind of a job. We have to draw a line where destitution or threat of destitution begins and if we open the C.C.C. Camps to boys whose families are not on relief, it would be a terribly hard thing to keep away from favoritism and all kinds of schemes that people will have to get their boys in. Where people are on relief, there is a definite rule to follow and probably the applications for those boys will not exceed the three hundred thousand.

Q Will you abandon as many Camps as you thought at first would be necessary?

THE PRESIDENT: On the question of Camp abandonment, it is not really abandonment. In other words, we have to temporarily close -- I don't know what the figure is -- perhaps eight hundred Camps but, of the remaining some fifteen hundred, every month there will be some of them where the work in that particular area is finished and the Camp would be closed anyway and torn down or turned over to the county or the locality and would not be used again by the C.C.C. because the work in that vicinity would have been finished.

Now, just as fast as one of those Camps is abandoned -- that is where the word "abandoned" comes in -- because the work is finished, we will move the personnel from that Camp to one of the Camps that has been temporarily closed but where there still remains work to be done. In other words, no locality that has a Camp temporarily closed this spring need fear that the Camp is permanently closed if there is still work to be done, because just as fast as one of the other Camps finishes its work we move the personnel back and finish the work in the Camp temporarily closed. It is not as bad as it sounds.

Q How about maintenance? Will the Camps be kept up?

THE PRESIDENT: No, in most cases not.

Q The local agencies would do it?

THE PRESIDENT: Well, you take, for instance, a Camp that is put in to build a recreation center or a new lake or camping place for the public. When that work is done, it is done and won't have to be done again. It will never be reopened as a Camp. Just maintenance -- the whole place being maintained by two or three local people.

Q (Mr. Russell Young) Mr. President, your wedding anniversary today affords a nice opportunity for our new president (of the White House Correspondents' Association) to make his first official speech.

THE PRESIDENT: Very good.

Q (Mr. Frederick A. Storm) I did not think I'd have to make another one so soon but I just want to offer you the congratulations of the White House correspondents on your Thirty-first Wedding Anniversary.

THE PRESIDENT: Thanks ever so much.

Q Good fishing, Mr. President.

CONFIDENTIAL
Press Conference #284,
Executive Offices of the White House,
March 19, 1936, 11.45 A.M.

(This special Press Conference was called by the President subsequent to a conference held by him with Admiral Grayson, the Secretary of War, Acting Secretary Taylor, Admiral Andrews, Harry Hopkins and Robert Fechner, to discuss emergency measures being taken in connection with flood relief.)

THE PRESIDENT: This is the latest information, not for quotation.

We have had this meeting, the Secretary of War is the Chairman, and all Government departments are completely coordinated in this relief situation. The important thing to stress is, I think, that the Red Cross is principally concerned. I have issued a Proclamation, of which I think you have copies, asking for contributions to the Red Cross in accordance with the usual custom.

This money is absolutely essential to the Red Cross because they handle the problems of clothing, food and lodging and furniture -- providing temporary shelter for people and things like that, and medicine, and also cooperate with the municipalities in repairing private houses so that they can be made habitable. There are, of course, a very large number of houses in which the cellars and ground floors have been under water for a day or two.

The second agency is the CCC and they have been doing extraordinarily good work. In that connection there is a rather good human interest feature with respect to this particular flood, which is rather new. The Chief of Staff says that one of the outstanding things that has happened in the last 48 hours is the information as to exact situations that has been furnished by the CCC amateur radio sets. For instance, on the dam above Johnstown, after the papers had come out with large headlines as to the dam going out, the Army picked up a message from one of the CCC boys who said, "I am sitting on top of the dam and it has not gone out because I am still sitting on it." (Laughter) "And it is not going to go out." Of course it did not go out. Now, that kind of information is extremely valuable.

The CCC in every locality where we have Camps are providing labor to rescue people, to do patrol work pending the arrival of the militia. They are guarding property and clearing away the worst part of the debris.

The third agency, the relief workers under Mr. Hopkins, are being used in practically every community. Their task is to clean up, building dikes, as they are doing right here in Washington, and then, as soon as the waters go down, the Works Progress workers will assist the municipalities and counties and towns in restoring the water supply, restoring the flooded sewers, so that they will work, helping to put the light lines and the telephone lines back into commission, making the highways passable and assisting in building temporary bridge structures, where the bridges have gone out.

And then the fourth phase of it relates to actual rescue work. Of course there is not, at the present time, a very great deal of that. That is being handled by the Coast Guard and more or less under the general direction of the Army, the Chief of

Staff. Both the Army and the Coast Guard are participating in that work. The Navy hasn't sent in boats yet because we apparently have enough floating equipment from other sources. They are bringing medical supplies in, cooperating with the health authorities and the Army.

General Markham reports that at Pittsburgh the situation was that the flood reached its crest last night at 9.00 P.M. at a stage of 46 feet; that at 10.30 this morning it had receded to 39.4 feet and is dropping rapidly.

The power, light and telephone service is out; the water supply south of the Monongahela River is cut off and that the central heating is off, but that the lights will be resumed tonight; that the police and the National Guard are in good and effective control and that the thing seems to be well in hand.

At Sharpsburg, many people were marooned but all have been gotten out. Apparently twenty persons lost their lives, however, in and around Sharpsburg. The dam near there, which it was feared might go out because it is a dam under construction, is last reported to be O. K.

At Johnstown, an Army officer arrived there last night and said this morning that conditions are not as bad as reported. The big dam seems to be safe. There is about 17 feet of water in the downtown section but it is receding quickly. Loss of life has been from seven to sixteen. The Red Cross has its relief stations going. Medical supplies are adequate. Food is somewhat deficient but beginning to come in in quantity. Selected men from the CCC are in control of policing and today two thousand WPA workers started to clean the town up. The worst of the crisis is over.

I think that is about all. You will do a service if you will point out that the chief thing we want now is contributions to the Red Cross fund. We will handle this as we have handled other emergencies, such as earthquakes and so forth, in the past. That is the principal task today.

Q They ought to put the bee on all the boys today. They collected their expense money. (Laughter)

THE PRESIDENT: So far as my plans go, if things are definitely improved tomorrow, we will go tomorrow, and if not we will go the next day.

Q Will you have a Press Conference tomorrow?

THE PRESIDENT: I haven't any other news. If the flood continues, we will all be pushed on that.

Q Have you any idea of how much the Red Cross will need for this flood work?

THE PRESIDENT: About three million dollars. Isn't that right, Cary (Admiral Cary Grayson)?

ADMIRAL GRAYSON: Yes, sir.

CONFIDENTIAL
Press Conference #285,
Held on the wharf at Port Everglades, Florida,
as the President stood at the foot of the
gangplank prior to boarding the destroyer MONAGHAN,
March 23, 1936, 4.30 P.M.

THE PRESIDENT: I am feeling awfully bad leaving you behind. I don't know what to do.

Q You look it. (Laughter)

THE PRESIDENT: I am awfully sorry you are being left behind.

Q (Mr. Trohan) And so are we. (Laughter)

Q Is there anything you want to say before you go?

THE PRESIDENT: Only don't change the language on me. (Referring to a previous trip on which his messages from the boat had been paraphrased by the Press.) George (Durno), don't change the language on me when you get it. Don't vary one word.

Q Well, Mr. President, happy trip.

THE PRESIDENT: I will send you the names of the fish in Latin.

Q We couldn't even spell MONAGHAN. (Laughter)

Q Could you send an appointment in Latin? (Laughter)

(At this point Mr. McIntyre spoke to the President about arrangements for sending messages from the boat to the hotel at Coral Gables.)

THE PRESIDENT: I will send one in the morning one day, and one in the afternoon the next day.

Q That is fair.

Q They brought along Mrs. McIntyre so that we can find Mac this trip.

MR. McINTYRE: All right, poison.

THE PRESIDENT: We have one chief objective. Colonel Watson has wanted to catch a rare fish. We hope so. He wants to catch one particular fish.

Q What is that?

THE PRESIDENT: He does not know the exact name but he thinks it is called a "Denizen of the Deep." (Laughter) So, if we catch a denizen of the deep, I will send it by radio.

Q We would appreciate it if the afternoon dispatches were sent in by 4.30.

THE PRESIDENT: We don't generally get back on board until 5.30, so I will try to send them at lunch time.

Q Are you going to visit the Bahamas group?

THE PRESIDENT: I think we will go out through the easterly end of the Bahamas and fish on the way back.

Q If you can get in the vicinity of Nassau, I think it would be swell. It would give us a chance to go over and see the town.

THE PRESIDENT: Yes, I think I will be there.

MR. McINTYRE: Couldn't we arrange a rendezvous?

THE PRESIDENT: Yes.

Q Have you seen Dr. Townsend's endorsement of Borah (?) ?

THE PRESIDENT: I did not even know it.

Q When will you pick up the POTOMAC?

THE PRESIDENT: Oh, late tomorrow or early Wednesday morning, away to the eastward.

Q How long do you expect to be gone?

THE PRESIDENT: As near two weeks as I can make it.

Q You can't make it three?

THE PRESIDENT: I think two weeks will be the outermost limit.

CONFIDENTIAL
Press Conference #286,
Held on the afterdeck of the POTOMAC,
at Nassau, B. I.,
March 31, 1936, at about noon.

THE PRESIDENT: His Excellency (the Governor-General of the Bahamas, who was a guest of the President on board the POTOMAC) desires to be interviewed. I have pursuaded him. (Laughter) He is good at it, too. I interviewed him last year and the year before, so it is all right.

Q We will take him on right away.

THE PRESIDENT: There is no news except that sailfish and marlin do not grow in the waters we have been in.

Q (Mr. Trohan) Not me this time. Last year, but not this year.

MR. McINTYRE: Incidentally, that (story about catching marlin) wasnot carried. I am afraid they deleted that.

THE PRESIDENT: No, but I think it was grand. I congratulate you on what you did with Latin names. That was good.

Q We were running under wraps because we didn't have Eddie (Roddan), our old Latin scholar, down here.

THE PRESIDENT: I thought the Navy (referring to Fred Storm) could translate Latin.

Q Did you catch your "Denizen of the Deep" yet?

THE PRESIDENT: Not yet, no. We have caught a fish of the deep but we do not know what it is. We are taking it back to Washington for the Museum, if it lasts that long. It is now in the icebox.

Q Did you capture that?

THE PRESIDENT: Yes.

Q What size?

THE PRESIDENT: It weighed twenty-seven pounds but the variety is completely unknown to me.

MR. McINTYRE: Are you serious about that?

THE PRESIDENT: Yes, I am serious about that. It is probably a very common fish but I never caught one before so I am going to find out.

Q We will give it a name. (Laughter)

THE PRESIDENT: You would. (Laughter) But you might make it perfectly clear that it is probably a very common fish but that I never caught one before just like it and I cannot find it in the book.

Q No use to the crew, is it?

THE PRESIDENT: I think it is probably safe now. It has been with us for about a week.

Q What do you hear from Washington, any big news?

THE PRESIDENT: Nothing except what Mac (Mr. McIntyre) lets get through.

Q He lets very little get through.

THE PRESIDENT: Both ways.

Q As far as our way goes, nothing.

Q When do you expect to be back?

THE PRESIDENT: I do not know; Saturday, Sunday or Monday.

Q Do you still intend to stop off at Warm Springs?

THE PRESIDENT: I think so.

Q For our information?

THE PRESIDENT: I don't know yet.

Q That is, you will stay out at sea until Saturday?

MR. McIntyre: Sunday or Monday.

Q Are you having good luck at fishing?

THE PRESIDENT: Excellent. We have not had any cruise where we got as many fish consistently as this trip and, of course, one reason was that we went to the further end of the Bahamas and then even one jump further, over to the Inagua Island, which is not in the Bahamas jurisdiction, but is under Jamaica.

THE GOVERNOR-GENERAL: It used to be under the Bahamas but is now under Jamaica.

THE PRESIDENT: It is an uninhabited island and the place was so full of fish that we are looking for other uninhabited islands.

Q Have you done any sailfishing?

THE PRESIDENT: Yes, a little, not very much. We are going down, probably now, into the most interesting formation of land I know of, and that is the Tongue of the Ocean.

Q Tunnel, did you say? (Laughter)

THE PRESIDENT: Tongue, t-o-n-g-u-e, of the Ocean. It comes down about a hundred miles from here.

CAPTAIN BROWN: I should say seventy or eighty miles out.

THE PRESIDENT: Well, Green Key is sixty-five miles and it goes a little further than that.

CAPTAIN BROWN: Yes.

THE PRESIDENT: It is completely surrounded -- shaped like a tongue, and completely surrounded by coral reefs. In the middle it is 1,000 fathoms deep, which is 6,000 feet. It goes right off, steep.

Q What do you hope to get there?

THE PRESIDENT: I don't know.

Q Have you ever been there before?

THE PRESIDENT: With Vincent Astor, about three years ago.

Q Gathering some sharp words for the campaign?

THE PRESIDENT: Oh, delicate words.

Q We have referred to this trip of yours as your spring training.

THE PRESIDENT: A good idea.

Q The ball players all go to Florida.

Q Mr. Mac is in training, you will be glad to know. (Referring to the fact that Mrs. McIntyre had accompanied him to Florida.)

THE PRESIDENT: Yes?

Q Hasn't missed a thing yet.

Q According to the Miami papers you have never yet gotten out of Florida waters on this trip.

THE PRESIDENT: I know it.

Q Thank you.

THE PRESIDENT: Everything all quiet; very little news from Washington. There are a certain number of papers to sign; nothing very exciting.

MR. McINTYRE: As a matter of fact, we had what little there was.

THE PRESIDENT: You gave them a release yesterday on those things done on Sunday?

MR. McINTYRE: Yes, sir.

Q How long a fish did you get?

THE PRESIDENT: That long (indicating with his hands about a foot and a half).

Q You couldn't make that a little longer?

THE PRESIDENT: Like George Washington, I don't want to exaggerate.

Q Colonel Watson said you got a 7-ft., 4-in. baracuda. It started off at 3 ft.

THE PRESIDENT: And it has been growing every minute.

Q (one of the photographers) Mr. President, do you want to show us how long that fish was?

THE PRESIDENT: Just that long (indicating). As a matter of fact, we had so many fish that everybody is sick of eating them.

Q Thank you, sir.

CONFIDENTIAL
Press Conference #287,
Held on the afterdeck of the POTOMAC,
moored to the dock at Port Everglades, Florida,
April 8, 1936.

THE PRESIDENT: Their complexions are pretty good. I think it is grand.

Q The Sun and Surf Club.

Q You are looking well, Mr. President.

THE PRESIDENT: I am fine. We had a grand trip.

I do not know any news except the real news to me that you had written up and that is that the Tongue of the Ocean is 30,000 feet deep.

Q We had four stories out there.

THE PRESIDENT: You had 30,000 feet.

Q 30,000 feet?

THE PRESIDENT: You had 30,000 feet.

Q It is 6,000 feet?

THE PRESIDENT: Charlie (Mr. Hurd), you had 30,000 feet two days running, and that is 60,000 feet. I wish you could have seen the expression on the faces of the officers on board when they discovered that the Tongue of the Ocean was 30,000 feet deep.

Q It is 6,000?

THE PRESIDENT: Yes.

Q How about that sailfish?

THE PRESIDENT: We were just fooling. Nobody that I knew ever trolled over the side of a boat going about ten knots. We had a sailfish on and he did two beautiful jumps for me and then he went off and we pulled the line up and the hook had straightened out. It did not hold.

Q That was this morning?

THE PRESIDENT: Two hours ago. And then afterwards, at ten knots, we had a bonito and got him on board.

Q What size?

THE PRESIDENT: Quite small, six or eight pounds.

Q What do you consider your best catch of the whole trip?

THE PRESIDENT: I don't know; we have had several fish thirty or forty pounds.

Q Is this mystery fish standing up nicely (in the icebox)?

THE PRESIDENT: I have not looked at him. They say he is all right. I hope they will be able to do some taxidermy on him.

Q We hope they don't paint portholes on him.

THE PRESIDENT: Yes, we want a swell color job and have it mounted as if it were coming out of the water, with a curve to it like the tarpon at the White House.

Q We hear you have been playing politics?

MR. McINTYRE: Elliott (Roosevelt) said that they played politics one night.

THE PRESIDENT: Oh, yes; Pa Watson got elected.

Q May we use that?

MR. McINTYRE: That is a good story.

Q Elected to what?

THE PRESIDENT: Elected President. It is a game called "Politics." We played it one night till exactly midnight and Pa Watson got elected.

Q On what ticket?

THE PRESIDENT: We did not bother about that; all we wanted was to be sure to get elected.

Q What are your plans tomorrow at Warm Springs?

THE PRESIDENT: Oh, look around the property in the morning and take a swim, lunch with Dr. Hoke and drive around in the afternoon and leave about five.

MR. McINTYRE: Some of your roads are in bad shape. They had heavy rains.

Q Another thing, you may use some relief workers there, too.

THE PRESIDENT: I will just stop by.

Q Have you received any further reports from the storm areas today?

THE PRESIDENT: Yes, got a full report this morning.

By the way, Kannee has got a copy of it, if you want anything on it. Got it just before we left.

The last three days I have been getting about three reports a day, from all the different agencies. Do not use it yet but I am -- I do not know yet -- but I may stop at Gainesville for half an hour. I will not get off the train but have the people come and talk to me. I have not heard from them yet.

Q Anything in particular to take up when you get back?

THE PRESIDENT: This is the quietest time we have ever had.

MR. McINTYRE: The only lull we have ever had.

THE PRESIDENT: Yes.

Q Did you give any thought to your speech on Monday night?

THE PRESIDENT: My God! I have not thought of it.

Q Send a message to Russ Young and he will get it for you -- 17-B. (Laughter)

Q Will you be back in time to open the ball (baseball) season on Tuesday?

THE PRESIDENT: Is it Tuesday? Oh, sure, we will do that. Always do.

MR. McINTYRE: You might talk with Russ and tell him to have the speech ready?

THE PRESIDENT: Send him a wire; it is all right.

Q Any particularly exciting incidents since we saw you?

THE PRESIDENT: The funny thing is that for the last three days we have been getting these weather reports of very definite storm warnings on the Gulf and storm warnings south of Hatteras. We have been expecting bad weather for three solid days, so I have been going from one lee to the other, with plenty of open ocean in case the thing struck.

MR. McINTYRE: Jimmy (Roosevelt) intimated it was a bit rough on the destroyer, going across the Gulf Stream Sunday night.

Q How did the POTOMAC behave?

THE PRESIDENT: Very well.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #288,
Executive Offices of the White House,
April 15, 1936, 10.55 A.M.

THE PRESIDENT: Missed a lot of you down there. Had a very good time.

Q (Mr. Storm) We are ready to go back, too.

THE PRESIDENT: I think we ought to do it this lovely weather.

Q (Mr. Storm) We need some more baseball.

Q What did you think of the (baseball) game yesterday?

THE PRESIDENT: What a game! Wasn't it grand?

Q Marvelous. Best one I have seen.

THE PRESIDENT: That's the kind of a game worth going to.

Q Certainly a horse, that fellow who was pitching, after that crack in the ear.

THE PRESIDENT: We thought he had broken his jaw. And, of course, he thought so too, at first.

Q Have you talked to General (inaudible) about that flood control situation in Binghamton and Pennsylvania?

THE PRESIDENT: General who?

Q Markham.

THE PRESIDENT: Not since I got back.

MR. DONALDSON: All in.

THE PRESIDENT: Somebody in the front row wanted to know whether I had talked about the flood situation in Pennsylvania and New York since I got back and I said "No."

Q Do you care to make any comment on the Illinois primary?

THE PRESIDENT: No.

Q Can you give us the new Assistant Secretary of the Navy this morning?

THE PRESIDENT: I am afraid not. I don't think I have any appointments ready to announce.

Q There is an Under Secretary of the Treasury to be appointed, too.

THE PRESIDENT: Oh, quite a lot of vacancies.

Q The Federal Fire Council has given the White House a report on its investigation of the White House.

THE PRESIDENT: I have only had a verbal description of it and the engineers are now working on it.

Q Will it be given out? Is it a matter of news?

THE PRESIDENT: It will probably call for some small deficiency estimate because, from what I have been told verbally, it is a question of going ahead and building the renewal of the wiring. All the basement was done last year -- the kitchen and some of the main floor -- but the old wiring in the second and third floor, and that is the main fault that the engineers found.

Q Have you talked with Senator Wagner about his housing bill?

THE PRESIDENT: Not yet.

Q Any comment on the merchant marine legislative situation?

THE PRESIDENT: Not yet.

Q Would you care to comment on the favorable response of the Latin-American presidents to the conference proposal?

THE PRESIDENT: Except I am very happy it is so favorable.

Q Mr. President, have you made any arrangements to see railroad management and railroad organized labor in respect to this coordination?

THE PRESIDENT: Again not yet. I haven't had very much time since I got back to do those things.

Q Do you plan a conference on the tax bill with Congressmen and Senators?

THE PRESIDENT: No. Of course I kept in close touch with it. I had a talk with Chairman Doughton yesterday and I understand that when the bill comes out in the House the Senate Committee, Senator Harrison, will start hearings right away on the basis of the House bill. There won't be any formal conference.

Q Will you send a London Naval Treaty up to the Senate this session?

THE PRESIDENT: I don't know. I am lunching with Norman Davis today.

Q Are you considering a visit to Canada at the time of the signing of the trade agreement?

THE PRESIDENT: I won't make any definite plans until after Congress goes home. The only thing I have which is definite -- and that has a string to it -- is to go down to Arkansas and Texas, to their Centennials, about the first of June.

Q That is on your way to Texas?

THE PRESIDENT: Yes. But even that is dependent on Congress.

Q Anything you can tell us about your talk with Governor Curley yesterday?

THE PRESIDENT: Talked about flood conditions in Massachusetts.

Q He did say you talked about politics. I was hoping you might tell us something about that.

THE PRESIDENT: Very little.

Q Have you talked to Jesse Jones about the terms of the flood loans?

THE PRESIDENT: No. The bill hasn't gone through yet, has it?

Q No.

Q There was a report from Canada that the Governor General had sent you an invitation to come up.

THE PRESIDENT: No. The Governor General happens to be a gentleman I correspond with occasionally. We say lots of things to each other.

Q Was the invitation --

THE PRESIDENT: (interposing) Nothing decided at all.

Q Just before you left, after a conference with the housing heads, you said at the time that by the time you got back you thought they should have a concrete plan ready to submit.

THE PRESIDENT: Well, they haven't.

Q Mr. President, can you tell us anything about the flood control or the flood control bill?

THE PRESIDENT: Not yet. No, we are all working on the problem of flood control. Of course, flood control ties in, necessarily, with a general Government long-range program. As you know, I said more than a year ago that in my judgment the Federal Government should spend, considering the size and wealth of the country, perhaps five hundred million dollars a year on various projects. Of course flood control would be included among those public works. The objective is to get a program outlined each year for the expenditure of some similar sum to include all public works.

It is a case of working the thing up and planning ahead and not trying to spend all the money in one year and then not having a program for the next. In other words, we want to approach it in a perfectly orderly way. That program would include public buildings, highways, flood control, navigation and the various things that go with flood control and navigation, such as building dams, and would include, in fact, everything except the CCC Camps which, nowadays, carries on a good deal of the Public Works objectives, such as a portion of soil erosion work, forestry, and so forth.

Q As long as it is an appropriation bill, if there was a billion dollars of worthy projects --

THE PRESIDENT: (interposing) If it puts people to work right away, that is all right. Anything that puts people to work right away.

Of course there is an awful lot of loose talk -- and I might add, awfully loose writing -- about P.W.A. and W.P.A. -- various kinds of projects. For instance, some of the papers this morning -- it is a careless job on the part of some of the writers -- said that the Interior Department showed a cost of $741. per man and then one had to draw a comparison. Of course, that is such carelessness that there is almost no excuse for it. If you read the statement you will see it is an entirely different thing. In the first place, the statement referred to the first public works -- P.W.A. -- which was 30% of the total cost of the projects. Now, that is perfectly clear and it said so in the handout over there. The Federal Government put up 30% of the cost and, on the basis of 30%, it was $741. per man, whatever it was, which would probably mean that if you added the other 70% to it that the total cost of the project ran to way over $2,000. per man from the point of view of giving them direct employment.

Now, that was all perfectly clear to anybody that had read it. Therefore, you can't make a comparison with a job in which the Government puts up 100% of the money.

Of course, P.W.A. projects, of necessity, cost at least twice as much, on the average, as Works Progress projects. Everybody has known that right along. When you build a Triborough Bridge, how much of it goes into steel and cement and condemnation of property? How much of it goes into highly skilled labor? Compare that to building a hundred rural schoolhouses or building a hundred or a thousand wooden bridges over small rivers. Of course the thing answers itself.

Q Mr. President, do you feel that states should pay the cost of land and damages in flood control programs?

THE PRESIDENT: I don't know. I haven't given that any consideration.

Q Mr. President, if the flood control bill seems too large, will there be any preference to states which have emergency --

THE PRESIDENT: (interposing) There is only one flood control bill. That is the 50 million dollar bill.

Q They are drawing up a new authorization bill now in the Senate Commerce Committee.

THE PRESIDENT: I don't know anything about it.

Q In view of the reported stand of Hopkins on the Passamaquoddy, where does that leave the projects?

THE PRESIDENT: It doesn't leave them.

Q Are they out?

THE PRESIDENT: Yes, eventually, unless we get money from Congress.

Q Stop work as soon as they finish the allotments thus far made?

THE PRESIDENT: That's right.

Q Won't get any more allotments from Relief on it?

THE PRESIDENT: No, not on their present basis. Perfectly all right for probably half a dozen other projects in the country that would require additional occasional action. If it is not given, can't go ahead with it. Some will be given and some probably won't be given.

Q Do you plan to recommend action in Congress?

THE PRESIDENT: No. We are still studying the thing. There may be modifications made but we are not ready to talk about it yet because we don't know what the modifications would be, if any.

Q Perhaps in the amount of allotment passed?

THE PRESIDENT: Or the plan itself.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #289,
Executive Offices of the White House,
April 17, 1936, 4.00 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: There isn't any news except a certain exhaustion on my part. I talked to 105 editors last night for hours and hours. Otherwise I am all right.

Q Will you tell us what you talked to them about?

THE PRESIDENT: Not by a jugful. I was much franker with them than I ever am with you. That is awful, isn't it?

Q Why, Mr. President?

THE PRESIDENT: I do not think there is any particular news, one way or the other.

Q Have you reached a decision whether to send up the Navy Treaty this session or not?

THE PRESIDENT: Not yet.

Q Assistant Secretary of the Navy?

THE PRESIDENT: Not yet.

Q Anything you can tell us about the Navy Treaty?

THE PRESIDENT: I do not think so. It speaks for itself pretty well.

Q Mr. President, anything further on your reported trip to Canada?

THE PRESIDENT: No. I cannot make any plans until I know when Congress is going home.

Q When do you think it will be? What date have you in mind?

THE PRESIDENT: A lot of people make prognostications on that and are always wrong, so I guess I won't.

Q Any chance as far as recommending money to replace battleships at this session?

THE PRESIDENT: I do not think so.

Q Anything on housing?

THE PRESIDENT: Not yet; same old story.

Q Do you, sir, still expect ship subsidy legislation this session?

THE PRESIDENT: No. The only thing on that is my recommendation on it last session, and it still holds good. Apparently it is in a sort of log jam up there. I would like to see some legislation.

Q Do you feel the so-called Copeland Bill satisfies your request?

THE PRESIDENT: No. It is up on the Hill. I think there are three or four of them.

Q Any choice?

THE PRESIDENT: No, it is up to them.

Q Are you ready for the Georgia primaries?

THE PRESIDENT: What happens to it?

Q They have invited you in for $10,000. (Laughter)

THE PRESIDENT: Why put a limit on the game?

Q Mr. President, have you anything to say about the circulation of petitions for seven hundred million dollars of earmarked money for P.W.A. in the billion five hundred million dollars?

THE PRESIDENT: I think only the obvious thing, and that is that you have got X number of people to put to work and by using the type of project that can be put through within the year that you are providing for -- the greater part of the money to be spent for actual wages -- it will cost approximately a billion and a half dollars. The very minute you change the type of project, the cost per individual goes up and the time of completion gets longer. Therefore, the more you earmark money for long-time projects that take three years to build, the more money you have to have. A billion and a half dollars won't put the same number of people to work. Well, that is just plain common sense and that is all that is necessary to say about it.

Q Mr. President, in connection with battleships, the Navy gave us the impression that they were going to ask for an appropriation, or at least part of the money to start construction at this session of Congress. Was their suggestion turned down?

THE PRESIDENT: I have not heard of it.

Q Does there seem to be any prospect of a new housing program going up? You say the situation was still the same?

THE PRESIDENT: Still the same; no change in it.

Q Any prospect of legislation this session?

THE PRESIDENT: I don't know. I think if everybody could agree, there would be. It is one of those things we have not solved.

Q Does there seem to be some disagreement between several of the Federal agencies involved?

THE PRESIDENT: I would not say it is a question of disagreement but nobody yet has suggested a plan which seems to meet all the requirements.

Q Thank you, Mr. President.

THE PRESIDENT: Put the lid on tomorrow?

Q Fine.

THE PRESIDENT: Put the lid on tomorrow. I have got the Gridiron Dinner and everything.

CONFIDENTIAL
Press Conference #290,
Executive Offices of the White House,
April 28, 1936, 4.15 P.M.

THE PRESIDENT: Wasn't it a shame we had to come down (from Hyde Park) last night?

Q Yes, it was tough.

THE PRESIDENT: Did you go up, Russ?

Q (Mr. Young) No, I had to be here with Steve (Mr. Early) to look out for things.

Q I could have stood about three days more of it. The weather was fine.

THE PRESIDENT: I was out yesterday in my car.

Q How did the new trees look?

THE PRESIDENT: Fine. Perfectly grand.

MR. DONALDSON: All in.

THE PRESIDENT: We are having an indignation meeting in the front row at having to come back to Washington from Hyde Park last night. It could not be helped.

Q What brought you back, Mr. President?

THE PRESIDENT: Congress. I don't think I have got any news at all. You have had even more than I have had.

Q Mr. President, do you join with Mr. Farley for the abrogation of the two-thirds rule?

THE PRESIDENT: It was recommended by the 1932 Convention.

Q The recommendation was to study it.

THE PRESIDENT: I think it was recommended. I have forgotten the exact language.

Q You think it will be abrogated?

THE PRESIDENT: Oh, I think so. I don't know why we should be tied up as we have in the past. We all have recollections of 1924, 1920 and 1912 and so on. They do not help in a political party.

The only interesting thing that happened at Hyde Park was that I talked to our Ambassador to Russia on the radio-telephone -- radio-telephone to Moscow. As I understood it, it was the first official message through. It was not a very official message. I asked how he was and the climate was in Moscow and he wanted to know where I was and whether the blossoms were out at Hyde Park and a few things like that. It was the first time on record.

Q Were the charges reversed?

THE PRESIDENT: My gosh, I never asked.

Q That was the first radio-telephone conversation between this country and that?

THE PRESIDENT: I don't know, but it certainly was the first Government one.

Q That was Mr. Bullitt?

THE PRESIDENT: Yes.

Q Any plans for Quoddy or the ship canal?

THE PRESIDENT: No. I haven't done anything more about it at all.

Q Have you an engagement to see Governor Brann? He arrived today.

THE PRESIDENT: I did not even know it. I suppose so. Ask Mac (Mr. McIntyre).

MR. McINTYRE: No engagement.

Q Did anything occur at the Emergency Council this afternoon we ought to know about?

THE PRESIDENT: No, just the general reports from all the agencies and departments.

Q Your Texas trip, is that still tentative or very indefinite?

THE PRESIDENT: Oh, I think so. I don't know why we should be tied up as we have in the past. We all have recollections of 1924, 1920 and 1912 and so on. They do not help in a political party.

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Q Did anything occur at the Emergency Council this afternoon we ought to know about?

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Q Your Texas trip, is that still tentative or very indefinite?

THE PRESIDENT: Oh, absolutely. I would like to go on the first of June but it is purely a tentative program.

Q It is not as promising as it was at first?

THE PRESIDENT: It depends on who you talked to last.

Q If you should have to defer the trip until -- because of Congress, would you still go to Texas? Just push the arrival date there?

THE PRESIDENT: It depends on how much I would have to defer it. I think possibly if I only had to defer it one week, I would go then. If I had to defer it more than a week, I probably could not go until some time later in the year. Of course any of you -- this is not derogatory to Houston, but were any of you there in 1924?

Q Yes.

THE PRESIDENT: Enough said.

Q Have you had an opportunity to read the Wagner Housing Bill and form an opinion of it?

THE PRESIDENT: No; just conferring about it.

Q Mr. President, what are your present views on the financing of all these flood projects -- the flood control projects?

THE PRESIDENT: The what?

Q The flood control projects, can you give us your views on that, whether it would be by Federal or state financing?

THE PRESIDENT: I think it depends entirely on the local problem.

Q Can you draw a line between those?

THE PRESIDENT: Just for example, the Federal Government in the past has had a rather clear line of demarcation on it. They have done the rivers and harbors. That seems to be wholly a Federal Government function. They have done certain rivers primarily for navigation purposes and incidentally flood control goes along with it. That would apply, for example, to the main stem of the Mississippi. Now, how far upstream you want to carry that is a question depending a little bit on the stream itself.

Q It seems then that you think there are certain flood control projects that should have Federal financing exclusively?

THE PRESIDENT: Again, it depends on the individual case.

Q May I give a specific case?

THE PRESIDENT: Yes.

Q On the headwaters of the Ohio there are fourteen flood control projects planned which would affect the entire Ohio Valley including the City of Pittsburgh and all down the river. Would you think that a project that should have Federal financing exclusively?

THE PRESIDENT: No. I think probably there the municipalities ought to certainly pay a share of it when you get way, way up. For example, who built the Johnstown Dam? That was not Federal, was it?

Q I don't know; that one bust, didn't it?

THE PRESIDENT: I mean the one built after the one which broke. I mean the one that is still there because the C.C.C. fellow sat on top of it. (Laughter) It did not go out. That was built by private funds.

You take, for example, in the State of New York, on the upper Hudson, there was a combination in that case between the power companies and the communities of the State. The State actually raised the money which, however, was paid back by the power companies and the municipalities that were saved from floods as a result of the construction of this very, very large reservoir at the headwaters of the Hudson. There was no Federal financing in that case.

It is very difficult to draw a hard and fast line. Then, of course, there is another thing to be said about it. I think there is a tendency perhaps in the Senate Bill to think of flood control in terms of what might be called "Army engineering", which means that you think of flood waters control as the building of sluiceways all the way down the rivers. Well, if you build a high enough wall on each side of the sluiceway, obviously the surrounding country is saved from floods but, at the same time, there is damage going on up in the headwaters above that sluiceway and millions of dollars of soil is being carried down through the sluiceway to the ocean. Therefore, you cannot think of it merely from the point of view of saving the cities and communities on the banks of the river from flood waters. You have got to think of it also from the point of view of the damage to the farmer's field up in the creek. There are some very interesting figures which you people can dig out. I think the Department of Agriculture has them. I might tell you where most of the tests were made; they were made up at Cornell. I cannot give them to you and you cannot use these figures because they are not accurate, only approximately correct.

What they did there was to take a field and a piece of woods right next to that field. The two of them were on exactly the same slope and right side by side, with the same soil, the same slope, and the same run-off.

If, let us say, an inch of rain fell simultaneously on the woods and on the field, seven-eighths of that inch of rain that fell on the field ran off into the creek within an hour. In the case of the woods, next door, seven-eighths of that inch of rain stayed in the woods and only one-eighth ran off into the creek.

They have got some very interesting figures and if any of you are interested in getting the story out on it, it would be of very great value. In other words, they have definitely proven two things: The first is that a plowed field, a cultivated field, furnishes the greatest immediate run-off. Next, the pasture or field with grass on it holds two or three times as much moisture as the plowed field does. Third, the woods hold seven or eight times as much moisture as the field does and at least twice as much as the pasture does.

Now, on the whole question of flood control, you cannot think of it in terms of a sluiceway. You have to go back and stop the waters from running off at the headwaters of every stream.

Q What about the case in which the flood benefits occur in a state other than the state in which the construction must be done?

THE PRESIDENT: What do you mean by flood benefits?

Q. I mean if the construction work is done away up at the headwaters in the little streams of New Hampshire to give flood control in Massachusetts. New Hampshire might not want to pay the bill.

THE PRESIDENT: I suppose eventually we will work out a pro rata system. That is the logical way of doing it. It has never been done but I hope we are all tending toward that sort of thing, trying to distribute the costs in proportion to the benefits received.

Q Relating to the case which Mr. Perkins took up, the Army engineers said, broadly, that probably the simplest way to handle it would be for the states involved to furnish the right-of-way, to purchase whatever land is necessary for the Government to undertake the work, that is, the engineering work. Do you approve of that, or is that according to your position?

THE PRESIDENT: No, I have not; that is too much rule of thumb. We are not ready for that yet.

Q (Mr. Essary) Have you approved, sir, the project of the Navy to lay down two new battleships without going to Congress for authorization?

THE PRESIDENT: No, the bill, Fred, is not quite ready in that particular language. I cannot tell you anything except off the record because it is not my function. You will have to go to the Committee. But I can tell you, off the record, that what they are working on now is a clause which would authorize the starting of two battleships only if, in the determination of the President, other nations started battleships ahead of us; in other words, making our construction wholly dependent on what the other people do. That is what they are working on at the present time.

Q You know, it is going to be printed. Can't we write it?

THE PRESIDENT: I don't know what the language is and it has not been decided yet. That is the thing we are working on.

Q Did that suggestion originate with you that it be made more or less dependent?

THE PRESIDENT: Yes.

Q Do you mean that if we can get a story on the Hill it is all right?

THE PRESIDENT: Yes.

(Mr. Early spoke to the President.)

THE PRESIDENT: You can use it as long as you do not attribute it to me. But, just as a matter of form, you might call Chairman Buchanan or the Acting Chairman, Umstead, and they will be perfectly willing to tell you.

Q Has this question of safety at sea been brought to your attention? The seamen came down last week and talked to Secretary Roper about safety at sea.

THE PRESIDENT: I have not had a chance to talk to Secretary Roper since we got back. I am going to do it.

Q Did you send up a Navy treaty?

THE PRESIDENT: That I do not know yet.

Q Are you considering Governor Green of Rhode Island in the appointment of the Assistant Secretary?

THE PRESIDENT: I have not considered anybody.

Q On this Copeland Bill on flood control, have you taken any position on that?

THE PRESIDENT: No, I have not been consulted on it at all. All I know is what I read in the paper.

Q Have you been advised that the British Government has made plans to lay down the keels of two new battleships the first of next year?

THE PRESIDENT: All I know is what was said in the Parliament.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #291,
Executive Offices of the White House,
May 1, 1936, 10.35 A.M.

Q (Mr. Storm) I have been deputized to introduce the foreign correspondents.

THE PRESIDENT: What is Russell (Mr. Young) doing, breaking you in?

Q (Mr. Storm) I have to pinch-hit for him once in a while.

THE PRESIDENT: Trying to make him a chief de protocol?

Q Yes.

THE PRESIDENT: That is it, head of the Social Department. You know, a sailor man can do almost anything.

Q (Mr. Storm) I am going to surrender my chair to the Senator (Mr. Young) for the next two weeks. I am going down to Jamaica on a vacation.

THE PRESIDENT: Grand.

Q Getting rested up for the campaign.

THE PRESIDENT: Good idea; it is all right.

MR. DONALDSON: All in.

THE PRESIDENT: We are glad to greet, as our guests today, the representatives of the foreign newspapers. At the end of the Conference, if they will come up this way and say "How de do". Otherwise I do not think there is any news at all.

Q Did you suggest a conference between Ickes and Hopkins about earmarking some money for P.W.A.?

THE PRESIDENT: I do not know what you are talking about. What conference?

Q Congressman Beiter, after the conference here yesterday with you -- he had had a conference scheduled for ten o'clock this morning and he called off the conference this morning.

THE PRESIDENT: I don't know. It is beyond me.

Q What are your plans for the week end?

THE PRESIDENT: I am going down the river tomorrow sometime. I am going down the river and coming back Sunday evening sometime.

Q If they should agree on earmarking a certain amount of money, say $300,000,000. out of the $1,500,000,000., would you support the action?

THE PRESIDENT: I think that is very much an "if" question.

Q Are you going to leave from the Navy Yard?

THE PRESIDENT: I have not decided whether I will leave from the Navy Yard or Annapolis.

Q How about a guest list?

THE PRESIDENT: Not yet.

Q Is there any action yet on the appointment of a new Assistant Secretary of the Navy?

THE PRESIDENT: No. No appointments now at all for any of the vacant positions.

Q Have you reached any understanding on housing?

THE PRESIDENT: Not yet; just where it was.

Q Mr. President, do you still hope for passage of the Food and Drug Bill this session?

THE PRESIDENT: Hope springs eternal. I have been hoping for three long years.

Q Does that go for the Ship Subsidy Bill also?

THE PRESIDENT: Same thing.

Q Mr. President, do you think there are any politics in W.P.A. in Pennsylvania? (Laughter)

THE PRESIDENT: That is another "if" question.

Q Mr. President, have you decided yet whether to send up the Navy Treaty?

THE PRESIDENT: Not yet. Possibly.

Q Impossible?

THE PRESIDENT: Possibly.

Q Have you had any talk with Jesse Jones on leniency in security for flood loans?

THE PRESIDENT: No. What kind of leniency?

Q He says he is running a banking business only.

THE PRESIDENT: Under the Act, of course he has to get adequate security. I am not as financially competent to pass on that question as Jesse Jones is.

Q Have you any comment on the Chamber of Commerce report of the reemployment survey?

THE PRESIDENT: Of course -- only this, that I am delighted they are going to make a survey.

Q How about their resolutions, Mr. President? Did you see those?

THE PRESIDENT: No. Are they still sitting or have they gone home?

Q Yesterday was the concluding session.

Q It was not very complimentary.

Q Any comments on the appointment of the Commissioner of Reclamation?

THE PRESIDENT: Not yet. I do not think there will be for a little while. That is not an appointment that has to be sent to the Senate, so there is no great rush.

Q Do you contemplate any more of those meetings of the spending and lending agencies?

THE PRESIDENT: Only the ones that go on about once a week. They continue right along.

Q You said some time ago every month.

THE PRESIDENT: We are conferring right along. I have talked to several of them in the past week.

Q Your Texas trip still indefinite?

THE PRESIDENT: It depends entirely on Congress. Of course the situation on the Texas trip, just for your own information, is a perfectly simple one: If I can get off the first part of June -- if I go through either with the plan to leave -- I think the original plan was the first of June -- and if Congress has not adjourned then, and if they adjourn before the eighth of June, I will put it off one week. But, of course, beyond the middle of June you get into conflict with all sorts of other things. So it depends entirely on when the Congress goes home. It would mean going down sometime later in the year.

Q Assuming there was not more than a week's delay, would you still go to Canada?

THE PRESIDENT: It all depends on when it is. Of course, again, going to Canada is a comparatively short distance from Hyde Park.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #292,
Executive Offices of the White House,
May 5, 1936, 4.12 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any particular news today.

I suppose you have all been in touch with this Ethiopian situation. It is one of the most dramatic things, I think, that has happened in most recent history. Here were two Legations, four and a half or five miles apart, with this whole mob in the middle, between, and they cannot communicate with each other. Our Naval radio people in our location got a radio through to Washington, D.C., saying that they are in need of help but they are holding out all right but they would very much like to have some of their people evacuated by the British who have a large force of Sikhs. The State Department telephoned it to London and the relief takes place. The messages had to travel about fifteen thousand miles in order to get help from five miles away. I think it is a perfectly amazing story.

I just got the last dispatch. The Italian forces have entered Addis Ababa about four o'clock and we have re-occupied the American Legation. We evacuated it at nine o'clock this morning and re-occupied it at five o'clock. So it looks as though the danger to the lives of Americans there is pretty well over.

Q How will our policy of non-recognition of territory occupied by force take place?

(The President did not answer.)

Q Mr. President, can you tell us anything about the series of historic stamps released by the Post Office?

THE PRESIDENT: Well, the Postmaster General showed me preliminary, very preliminary designs for the Army issue.

We are getting out this fall an Army commemorative issue of five stamps and a Navy commemorative issue of five stamps. The idea is that the Army stamps would come first and then the Navy stamps, first one and then the other, through the whole series of ten.

The general thought I have had in mind is that, because commemorative stamps are so popular, not only with myself but also with the general public, each year we would get out a special series of stamps. Last year we got out the National Parks and this year the Army and Navy series. My thought is that next year perhaps we would take up some other phase, perhaps famous writers or perhaps a series of famous inventors, something along that line, so as to commemorate Americans who have not just been President and things like that. The idea is to take in some other Americans who have distinguished themselves in a great many lines of human endeavor, including perhaps some famous women.

Q Thank you, Mr. President. (Laughter)

Q Can you tell us about your housing conference this afternoon with Senator Wagner?

THE PRESIDENT: We have got to the point where we are all in substantial agreement on the principles and objectives of the Wagner Slum Clearance Bill. I think it should be made clear that the bill relates, primarily, to slum clearance. I think that is the best word. It is not primarily a bill intended for low-cost housing.

One of the objections that has been raised to the work of the Housing Division of PWA is that while they put up some excellent buildings in a great many cities -- as I remember it, they have about a hundred and twenty-eight million dollars worth of buildings, a few of them completed and most of them being erected -- they do not primarily benefit the lowest income groups in the community. The Wagner Bill is intended for the benefit of the lowest income groups in the community, carrying out, at the same time, the elimination of present slums.

When I say that we are all agreed substantially on the principles and the objectives of this bill of Bob Wagner's, I must also say that there are a number of what might be called details which are now being worked out.

Q Financial details?

THE PRESIDENT: Questions of finance and questions of administration. I hope within the next four or five days we will all be in agreement on those details and I hope that the bill will go through.

Q Can you tell us how much is needed for the bill, the appropriation?

THE PRESIDENT: That is the thing they are working on at the present time. In other words, one of the things they are checking on is to try to work out how much demand there will be during the coming fiscal year.

Q (Mr. Storm) Did you say you expect it to go through at this session?

THE PRESIDENT: Now, Fred (Mr. Storm), I will answer your question: Do not say this is a "must" bill, because I made it clear three months ago that I had only two "must" bills, one the Tax Bill and the other the Relief Bill.

Q For instance, the Navy Bill?

THE PRESIDENT: There is lots of desirable legislation I will give my blessing to, but don't call it a "must" bill.

Q Any truth in the report that you told Congressional leaders that you would like to have adjournment by June one, provided they get the Tax and Relief Bills out of the way?

THE PRESIDENT: No. I will tell you exactly what I did there. If Congress, in its wisdom, goes home before the first of June, I will go to Texas. If they do not go home by the first of June, but do go home by the sixth of June, then I will go to Texas. If we do not go home by the sixth of June, then we will be complicated by the Republican convention, because then they cannot stay here and complete their work. It throws it over two weeks.

Q Did they tell you they could get through their work by June one?

THE PRESIDENT: No.

Q What class of "must" or "semi-must" do you have?

THE PRESIDENT: We haven't even an agreement on that yet.

Q Do you think that is desirable this year?

THE PRESIDENT: It depends on what you mean. If you mean a big, new appropriation for floods, no.

Q I mean the one that is coming out of the Senate and Commerce Committee, appropriating $400,000,000.?

THE PRESIDENT: I do not know what form it is coming out in. I was not for it in the form it was introduced.

Q Have you seen the bill in its present form?

THE PRESIDENT: No. I imagine there are a lot of amendments pending. For instance, one Senator was in today, Carl Hayden, and he had some amendments to it. It is still in a form where I cannot comment on it.

Q Are you for the Overton Bill, which is now on the House Calendar?

THE PRESIDENT: What is that bill?

Q $272,000,000. for the completion of the Lower Mississippi?

THE PRESIDENT: I do not know; I have not seen it.

Q It passed the Senate and is waiting on the House Calendar?

THE PRESIDENT: That is an authorization bill.

Q Can you return to the stamps? Can you say what military heroes you picked out for these stamps? You mentioned five?

THE PRESIDENT: I could not do it offhand. I might make a mistake. You had better get that from Jim (Mr. Farley). There will be two heroes on each of the one-cent, two-cent, three-cent and four-cent stamps, except in the Navy series when, on the four-cent stamp, there will be three heroes and then, the five-cent stamp, the Army one will be West Point and the Navy one will be Annapolis.

You had better get the names of the heroes.

Q Can you tell us anything about Mr. Green's (A.F. of L.) visit today and his recommendations in the way of getting money for the continuation of P.W.A.?

THE PRESIDENT: No, nothing more than we talked about last week, that certain forms of municipal work can probably be done under the Relief Bill through the lending of funds by the R.F.C. and the providing of the work by W.P.A. It comes to substantially the same thing, but a slightly different change in method.

Q Mr. President, would you have any objection to earmarking the $400,000,000. to P.W.A. projects?

THE PRESIDENT: Yes.

Q You would?

THE PRESIDENT: Yes.

Q How about $200,000,000.?

THE PRESIDENT: No -- you all know we talked about this before. You know the problem involved, too. If you take any of the billion and a half for loans to municipalities, you decrease the number of people you can give relief to by that amount.

Q Can you tell us anything about your talk with Mr. Young (Mr. Owen D. Young) at luncheon?

THE PRESIDENT: Just everything.

Q Everything?

THE PRESIDENT: We talked about everything.

Q How about Mr. Baruch?

THE PRESIDENT: Same thing.

Q Anything to say about the anthracite wage conference?

THE PRESIDENT: I have not heard anything the last couple of days. You probably know more about it than I do.

Q Is this Government taking any steps to fore-arm itself against possible monetary action in Europe?

THE PRESIDENT: Yes, on a 24-hour basis. We re-arm ourselves every morning.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #293,
Executive Offices of the White House,
May 8, 1936, 10.40 A.M.

THE PRESIDENT: I do not know what you are taking out your pads and pencils for. There is no news.

Q (Mr. Young) You will have a big day today, Mr. President.

THE PRESIDENT: Where is Fred -- oh, there you are.

The only trouble with me is lack of sleep. I have been sitting up late, talking to people that I ought to have sent to bed.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news at all. What will we do, put the lid on tomorrow?

Q Why not today?

THE PRESIDENT: All right; let's do it today.

Q You are not going away between now and the Press Club affair?

THE PRESIDENT: I think I will go down the river just for the day on Sunday and come back Sunday evening.

Q Will you consider a tax plan such as outlined in the leading editorial of the New York Times on Monday morning as within the spirit of your recommendation to Congress?

THE PRESIDENT: You know, I have to make an awful confession: I did not read it.

Q You did not read it yet?

THE PRESIDENT: Steve (Mr. Early) told me to, but I did not.

Q I hope you have a copy. If not, I will supply you. (Laughter)

Q Mr. President, there is a very interesting situation developing in some states, mostly out West, where state troopers are preventing the admission of citizens over the border on grounds that they are seemingly indigent. Now, it would seem that under the Constitution an American citizen has the right of free movement from one state to another. What are your views? Does it seem to be a violation of the Constitution?

THE PRESIDENT: I don't know anything about the Constitutional aspect of it. Of course it does raise a question with respect to transients, not only in California or Florida but in a number of other states. It raises a problem of American government and it is a thing, I think, a lot of people, regardless of politics and regardless of where they come from, are giving a lot of study to.

Of course the only thing you can say about the Constitutional aspect is this, that in the old days when the Constitution was being written, there was no such thing as a transient problem and almost everybody in the country had a domicile. There is a distinction in the law, as you know, between the words "domicile" and "residence." In those days there was no particular unemployment problem. Charity cases were taken care of locally. The problem of taking care of transients was a nonexistent problem, whereas today it is a very serious problem, and a good many people are approaching the problem from what might be called the original common law point of view, which dates back to the early English common law in England when everybody was supposed to have a domicile. There was no such thing in the common law as a transient. They were all supposed to have a community that was more or less responsible for them. I am just talking now from reading and from recollection. The problem of the tramp, what we would call the tramp, originated in England in its most serious form at the time of the Black Plague in London. A lot of people left London to escape the Plague and wandered all over England. The way they handled it at that time was to try to get those people settled in one place or another and they finally succeeded -- again on the theory of a domicile.

What most people are trying to do is to locate those transients permanently in some one community, to try to establish a principle that eventually everybody will have some place they belong to and that that place is responsible for them.

Now, on the question of the actual right of states to prevent people from coming in that will be a charge, that might be all right. Whether they can stop everybody from coming in on the bare possibility that they might become a charge, that is, frankly, a constitutional question and I don't know. I don't think anybody knows.

Q There is one other point on this: This situation affects a great number of workers, migratory workers, of which there are hundreds of thousands, that go to the wheat fields and so forth. You remember the report made last year on the wages paid those migratory workers put them in the class of vagrants practically.

THE PRESIDENT: The canning families start in Florida and work clear up to northern New York and work back again -- their children have practically no facilities for education, their living conditions are of the lowest and the wages are far below standard. The migratory worker is a bad thing for the country.

We are just beginning now to approach that problem. Nobody has ever thought of it until the last two or three years.

Q In this district, as I understand it, the transient problem was solved or attempted to be solved by simply cutting off relief any transient that came here. Does that have any bearing on what you are talking about?

THE PRESIDENT: We do not cut them off relief so much except that we try to send them back to the place of origin.

Q We don't welcome them.

THE PRESIDENT: As a matter of fact, in the District, as you know, almost all of the skilled workers, white collar workers, have jobs. They are people who live in the District. It is again a case of domicile. Our problem here is the people who come from other sections in the hope of getting a job. We take care of the actual population of the District very well.

Q Have you any ideas on the unemployment and relief problems from your talks with industrialists such as Chrysler and Young?

THE PRESIDENT: I have been asking them for ideas. Put it the other way around.

Q Did you get them?

THE PRESIDENT: I haven't been given the final solution yet.

Q What lines were they talking about?

THE PRESIDENT: I should say the line we have been talking about mostly is the building up of certain industries that look as if they have a very large capacity for expansion. Just to give you two examples, railroad equipment, which is being held back at the present time because of the capital structure of railroads, the railroads finding it so difficult to pay their fixed charges, and therefore they are unable to finance new equipment and new maintenance expenditures.

The other major field we have been talking about is our old friend housing, and again, there, I think they all realize that while housing is picking up very well, especially among the higher income groups, such as from $5,000. up, it is the same old story that we have not yet invented -- I am talking about the North now -- the $2500. house on a large scale. The demand for a house and lot that would cost around $2500. is very large. The estimates run anywhere from half a million, as the immediate demand, up to a million.

Q In connection with railroad equipment, has your discussion raised the question of Government financing of railroad equipment loans?

THE PRESIDENT: No, the discussion was almost entirely confined to railroad capital structure.

Q If they cannot afford any large expenditures for new equipment, that would indicate that the Government might help them out?

THE PRESIDENT: No, it is not a question of lending them more money on the basis of their present capital structures, because they cannot pay it.

Q Your tax bill won't let them pay off their obligations either. You can't pile up surpluses against capital structure.

THE PRESIDENT: That is not settled yet. (Laughter)

Q Mr. President, may I ask you another question about taxes? Would you consider an undistributed profits tax, which was an additional corporate levy instead of a sole corporate levy, as coming within the meaning of the spirit of your recommendations?

THE PRESIDENT: I cannot talk about it for the very good reason that I haven't talked to anybody on the Hill about it for the past two weeks. If they come down and talk to me, it is a different thing.

Q It is a question with them, so they say.

THE PRESIDENT: It depends on who you talk to.

Q Quite a few of them.

Q The capital structure won't support new expenditures. On that, do you suppose some plan might be evolved to change or straighten out their capital structures?

THE PRESIDENT: That is what I have been talking about with a good many of these gentlemen. It is a subject that is very much under study.

Q Mr. Young was talking about the possibility of mass production of homes and he says that they have been giving it a great deal of study.

THE PRESIDENT: Yes, and Gerard Swope has been doing a great deal of work on it.

Q He said the problem is still baffling.

THE PRESIDENT: That is perfectly true. It goes back to the same old illustration I used a little while ago. I was talking to Walter Chrysler yesterday and I said, "Suppose you were to give me the detail working blueprints of a Plymouth car that you sell for $600. Suppose you were to give me all the working blueprints and I was to pick them up and take them to the best machine shop in town and say to the machine shop, 'What can you turn out a car, such as on those blueprints, for?' Or suppose it was a thoroughly equipped, up-to-date, modern machine shop. What would it cost them?" "Oh," he said, "somewhere around $3500."

I said, "There is your illustration. We are building our houses in this country by the local machine shop method."

Now, if we can get houses which are factory-built to a much larger extent on a volume basis, because those things have to be built on a volume basis to get your costs, we can reduce the cost of housing. We are all agreed on that.

Q Are you making any study of ship subsidy legislation in connection with the present proposals before the Congress?

THE PRESIDENT: I think there are four of them up there. Four separate bills, something like that. I think you will have to ask them which one is going through; I don't know.

Q I am going to ask you an important question: Every newspaperman who is particular at social affairs is asking me what you are going to wear to your Lawn Party next week?

THE PRESIDENT: I think probably a palm beach suit, if it is a very warm evening and, if it is a cool evening, just a blue suit.

Q Some of them said you ran out on them one night.

THE PRESIDENT: That wasn't my fault.

Q The Guffey Bill, that was passed inside of a week.

THE PRESIDENT: What did they say?

Q They said if you would be for it (the Ship Subsidy Bill), it would go through in a week.

THE PRESIDENT: I am simply telling them up there I hope they will pass a ship subsidy bill.

Q Can you tell us anything on whether the Navy Treaty will go up soon?

THE PRESIDENT: I think you can make a good guess that the Naval Treaty will go early next week.

Q I believe the appointments of Messrs. Morgan and Lilienthal (of the T.V.A.) expire this month. Are you going to reappoint them?

THE PRESIDENT: I believe it expires -- I haven't taken the matter up at all.

Q On Governor Green's visit yesterday, did you discuss that Assistant Secretary of the Navy job? He said he would not deny or affirm.

THE PRESIDENT: We did not even discuss it.

Q Has a successor been chosen yet for General McCarl?

THE PRESIDENT: No, and won't be for a long time.

Q Do you mean by that that he will carry over?

THE PRESIDENT: Oh, no. The vacancy does not occur until July second, I think.

Q June thirtieth, in the law.

Q I thought you meant fifteen years by "a long time."

Q Will there be a nomination for the vacancy on the Federal Reserve Board?

THE PRESIDENT: There won't be any nominations in the near future for any of the vacancies.

Q Do you know whether the Acting or the Assistant to McCarl can act as Comptroller General after the Comptroller General's term expires?

THE PRESIDENT: I don't know. I read somewhere in the paper that that

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was the law. I have not checked.

Q That is what we were told down there, but we are not sure.

THE PRESIDENT: I don't know.

Q Isn't there some move on the part of the members of the House to change that law so that McCarl can have a longer term?

THE PRESIDENT: I have not heard a word about it from anybody.

Q Was there any significance in the visit of Mr. Glavis of the Interior Department the other day?

THE PRESIDENT: Oh, no. I had not seen him for a long time.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #294,
Executive Offices of the White House,
May 12, 1936, 4.05 P.M.

Q (Mr. Young) Mr. President, how are you, sir?

Q Good afternoon, sir.

THE PRESIDENT: How is the gang?

Q Pretty quiet. Stevie's (Mr. Stephenson) away. Any bedside bulletins from Steve Early?

THE PRESIDENT: Sinus.

Q Is it serious?

THE PRESIDENT: It is very painful, but not serious. He had a bad sore throat.

Q Is he in bed?

THE PRESIDENT: Yes. He has not any temperature today but it is about the most painful thing there is. I used to have it.

I do not think there is any particular news. I sent the Navy Treaty up about half an hour ago.

Q Any comment, sir?

THE PRESIDENT: No.

Q Can you tell us something about your conference this morning with Senator Robinson and other Senators?

THE PRESIDENT: Just to talk over the general legislative situation.

Q Taxes mentioned?

THE PRESIDENT: No.

Q Any hint about adjournment day?

THE PRESIDENT: I understand that they hope to go home by the sixth.

Q Can you tell us anything about your talk with the Civil Service

Commission a few minutes ago?

THE PRESIDENT: There were a number of things that came up and I think there probably will be some stories but I haven't written the necessary letters yet. It would be a pity to break it until it is a good story.

Q Can you tell us something about your conference yesterday afternoon with the Senators from Washington, Senator McNary and the Power Commission and so forth?

THE PRESIDENT: Yes, I think I can tell you in general terms. The question of power rates at the various projects of various kinds where the Government will have a certain amount of power to sell naturally brings up the general policy question from the national and regional point of view. It is precipitated at this particular time by the fact that the Bonneville power is the first of the new projects which will be ready and they will be ready to deliver power by the end of 1937 -- by the autumn of 1937. Of course that means that legislation should be had at this time to enable them to make contracts between now and next spring because, obviously, if the power is to be used, there will have to be many other preparations made before the actual delivery of the power.

The general discussion yesterday was as to the general power policy. Obviously, if we were to treat it simply from the point of view of Bonneville, it might conflict -- the contracts made there might conflict with a general power policy laid down at the next session and that particular power might be tied up in contracts for ten or fifteen or twenty years.

The general thought of all of these agencies, including, I think, the Senators, was that it will be possible to work out some kind of language that will set down certain principles and would allow an agency, probably the Federal Power Commission itself, to be the final determining factor on the rates themselves -- the actual contracts.

They are working on that language now, the three Senators and the other people who were here, the Army Engineers and Rural Electrification, the Tennessee Valley and the Federal Power Commission. I hope in the course of the next two or three days they will have some kind of language which can be incorporated into a comparatively short bill which they ought not to have very much trouble getting through.

Q Mr. President, can you tell us the future status of Mr. Lilienthal, whether he will remain with the T.V.A. or go to some other agency?

THE PRESIDENT: His term has not expired.

Q It will expire the eighteenth.

THE PRESIDENT: You will have an announcement by the eighteenth.

Q Have you ironed out the details of the Wagner Housing Bill?

THE PRESIDENT: I have not had a report back yet. We ought to get it in a day or two. They are working very hard.

Q How liberal are the rules for dress Thursday night (referring to the Lawn Party)?

THE PRESIDENT: Very liberal. Come in anything you want.

Q Do you expect a Flood Control Bill this session, Mr. President?

THE PRESIDENT: I suppose there will be some kind of flood legislation. I do not know what kind.

Q You talked to Senators Guffey and Glass about it?

THE PRESIDENT: Yes. Of course I believe we should have some flood legislation and, especially, to start work this coming year on the most emergent cases in those areas which lately have been seriously affected but, on the other hand, I am very keen, as I said before, to have the thing tied into a general program that will be put on a national basis after bringing in all the different interests that are affected.

Q Are you familiar with Senator Byrd's contention that under the proposed Tax Bill giant corporations will escape taxes? There are a great many of them.

THE PRESIDENT: Only what I have read in the papers.

Q Can you tell us whether that will affect the validity of the proposed taxes?

(The President did not answer.)

Q A.A.T.O.H. -- have you received an invitation to join the Association Against Taking Off Hats?

THE PRESIDENT: I thought it was a Greek Society out of the Associated Press. (Laughter)

Q You might also receive an invitation to join.

Q The A.A.T.O.H. -- that is a society for the protection of ladies who have had their eyes blacked by the elbows of gentlemen taking off their hats in elevators. (Laughter)

THE PRESIDENT: That is grand. I think you win.

Q (Mr. Young) You can't beat the girls.

THE PRESIDENT: Of course we will put them all under Government regulation. (Laughter) Some people will say that is the tendency of this Administration. You will be fully regimented; it is all right.

Q Don't you think this custom of taking off hats should be regimented?

THE PRESIDENT: Absolutely.

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: I think everything is all quiet. I am going down the river, I think, on Friday night this time. That is, if everything is all quiet.

CONFIDENTIAL
Press Conference #295,
Executive Offices of the White House,
May 15, 1936, 10.35 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: Senator Young says there is no news this morning. (Laughter)

Q (Mr. Young) Thank you, Mr. President (indicating that conference was closed). (Laughter)

THE PRESIDENT: I am going down the river, over to Annapolis and into the Bay, and I will get back Sunday afternoon, late.

Q Do you expect to sign any important bills before you leave over the week end?

THE PRESIDENT: I will sign a few I have in the basket and I will act on the others over the week end.

Q Will you tellus about your conference with Allie Freed on Wednesday on housing?

THE PRESIDENT: There isn't very much. He has, of course, several plans and he showed me some special suburban developments that his people have worked out.

Q Mr. President, returning to the week-end trip, have you any destination at all?

THE PRESIDENT: Chesapeake Bay.

Q When will you be back in Washington?

THE PRESIDENT: Sunday night.

Q You will leave from Annapolis?

THE PRESIDENT: Yes, from Annapolis.

Q How about the Lilienthal appointment?

THE PRESIDENT: It is not due yet.

Q Anything on the tax situation?

THE PRESIDENT: No, I haven't heard anything at all from the Hill.

Q The new French Premier, Leon Blum, was quoted in our dispatches this morning as saying that France considers their debt to this country was wiped out. Is there anything on that?

THE PRESIDENT: You had better ask the Secretary of State.

Q Mr. President, have you worked out the details of the Wagner Housing Bill yet?

THE PRESIDENT: No, I think they are making very good progress. I think there ought to be something over the week end on it.

Q What about the future of the Resettlement Administration?

THE PRESIDENT: What part of it?

Q There is a story in the morning papers that it is going to be washed out?

THE PRESIDENT: No, there is a great deal of confusion of thought about the Resettlement Administration. For example, there are perfectly practical reasons for handling -- I have forgotten the exact numbers -- of handling 550,000 relief families who are being kept off the work relief rolls by both small grants to try to rehabilitate them on their own farms and by loans keeping them on their own farms. That form of relief is, of course, a great deal cheaper than if we were to take them off the farms and put them on work relief. I think there are 550,000 or 600,000 families in that category. Of course that work is going on.

Another phase of it is the moving of certain families from farms where they cannot possibly make a living, where they have proved that a living cannot be made, and trying to put them on better land. That is the second phase of the work and that is bound to go on because, on any analysis it is cheaper than work relief.

Then, a third phase that really goes in with both of those is -- I have forgotten the term used -- it amounts to helping of those families either on the original farm or a new farm with advice because in a great many cases they haven't either the experience and, I am sorry to say, in some cases the education to make good. Therefore, we think in the long run it would be much cheaper if we can constantly visit those people and see that the lady of the house puts up vegetables and fruits, etc. and kills their own hogs for winter use and that the men of the family cultivate the land in the right way and try to put something back into the land, to avoid erosion and to alternate crops. In other words, the idea is to keep an educational system going with the expectation that after a year or two of that they will be able to run the thing themselves. The figures show that that work is extraordinarily effective. Just offhand, I think that something between 100,000 and 200,000 families that have been educated in the past two years to run their own show are now capable of doing it without any further Government aid. Now, that is quite a lot of human beings.

Then the fourth phase of the work relates to the rural settlements and semi-rural settlements and of course a fairly large program has been undertaken on that and it is bound to be carried through to completion. Whether we will start any more new ones, that we have not undertaken, I doubt that. They might be called "samples" dotted here and there around the country.

Q Those are the four Greenbelt projects?

THE PRESIDENT: No, those are the four out of a great many. They happened to be a certain type near cities. For example, the one between here and Baltimore is very nearly halfway finished and that will not be a farm proposition. It is primarily for people who live in Washington and Baltimore. That is suburban. There are a great many others which are primarily rural.

Q Mr. President, how about the purchase of submarginal land? Isn't that another feature of their work?

THE PRESIDENT: Well, that of course has been going ahead and I don't believe there will be very much more money spent on submarginal land because we are cleaning up existing funds. It does not mean the program is over. It means that the coming fiscal year we won't spend as much money on that as we have in the past fiscal year.

Q Does the first phase come under Hopkins' organization?

THE PRESIDENT: It is a separate thing. It is not under the bill. In other words, it does not make any difference as to who the money is appropriated to. I don't care who signs the check.

Q At any rate the Resettlement Administration will still handle the rural rehabilitation work?

THE PRESIDENT: Yes. Maybe Hopkins will turn over the money to do it, but they will handle the machinery.

Q One of the stories said that under the bill he could not turn over the money. It could not be transferred.

THE PRESIDENT: All he need do is appoint an agent and, in the last analysis, I will handle the money.

Q Administrator Tugwell was reported this morning as saying -- or, rather, the implication of the headlines was -- that there would be no more Resettlement Administration after July 1, that there would be no funds appropriated. Does the appropriation of a billion and a half take care of it?

THE PRESIDENT: Yes, that takes care of it, all except the question of carrying on the work of these rural settlements. I frankly don't know about it.

Q The Treasury statement today shows that about 129 million dollars is unspent of the Resettlement allocation. Of course that is to be spent --

THE PRESIDENT: (interposing) It does not say whether it is obligated or not?

Q No; presumably it is all allocated.

THE PRESIDENT: I don't know what the obligated figure is.

Q Will you say anything about the Robinson resolution on Passamaquoddy and the Florida Ship Canal?

THE PRESIDENT: I don't know; I haven't seen it.

Q There was some discussion on the Hill about the new Bankhead resolution under which the work of Resettlement would be taken over. I suppose that is out now?

THE PRESIDENT: I don't know the status of the Bankhead Bill. Obviously, if we have special legislation relating to tenant farmers it would naturally tie in, in some way, administratively with a good part of the work of Resettlement, as long as we do not duplicate.

Q Any success in finding a successor to Comptroller General McCarl?

THE PRESIDENT: Those are all future appointments. In fact, I haven't any current appointments, except the ones you know.

Q Can you tell us anything about the earmarking of funds for the Public Works Administration from the billion and a half?

THE PRESIDENT: Under the Bill they can go ahead with certain forms of public work, the criterion being a perfectly simple one. If, let us say, the City of X wants to build a million-dollar sewer, they would apply just as they have before for a loan and grant through the same machinery they have used before, the Public Works machinery. Thereupon the Public Works Administration, which still has quite a large sum which will be available for loans -- in other words, for the 55 per cent --

Q (interposing) You mean the revolving fund?

THE PRESIDENT: The revolving fund of the securities they have already taken in, which they have sold to Jesse Jones who, in turn, sold them to the public. Every week that goes by the RFC is selling more and more of those municipal securities to the public. He turns that money back to the revolving fund. It is out of that revolving fund that the 55 per cent loan is made.

That leaves 45 per cent. The project must conform to the requirements of taking people off the relief rolls. Well, in almost all cases at least 45 per cent of the total expenditure on the project would naturally go to labor. Most of them average a good deal higher than that, so, in most of these projects, the PWA will be able to certify that they will need so many work relief people to do the job. Thereupon, if the relief organization finds that there are that many people in the locality who can do this work and who are on the relief rolls, they okay it. In fact, the weekly payrolls are paid out of the billion and a half dollars.

Q Isn't there conflict there with respect to prevailing and subsistence wages?

THE PRESIDENT: No, practically none.

Q But if these projects on which there is a loan and grant is a local project and not a Federal project --

THE PRESIDENT: (interposing) Yes?

Q Will the WPA give the 45 per cent as a lump sum grant, or pay these people?

THE PRESIDENT: You mean who is going to draw the check or sign the check? I am not interested.

Q They give the locality 45 per cent in a lump sum?

THE PRESIDENT: I am not interested. It does not make any difference who signs the check as long as I do not have to.

Q Do you mean the WPA would furnish labor up to the amount which would cost the project 45 per cent if they had to pay cash?

THE PRESIDENT: Yes, that is right.

Q Any progress in extending the railway equipment business?

THE PRESIDENT: No.

Q Does that policy eliminate the private contractor from PWA construction then

THE PRESIDENT: No, not any more than it does at the present time.

Q He would be required to do it with relief labor?

THE PRESIDENT: Yes, he is at the present time. Nearly all municipal contracts are let on the basis of the contractor agreeing to employ so many people from the relief rolls. There is no change.

Q In other words then, Mr. President, as I understand it, this billion and a half fund, less the 25 million dollars taken for CCC, is a bill for all of these emergency agencies and will be distributed that way?

THE PRESIDENT: We do not know until we have all the applications in what the total amount of money is that would go on loan and grant, but no loan comes out of the billion and a half. All of it goes to employing relief workers.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #296,
Executive Offices of the White House,
May 19, 1936, 4.07 P.M.

THE PRESIDENT: Fred (Storm)! Where did you go?

Q (Mr. Storm) Down to Jamaica.

THE PRESIDENT: Grand down there?

Q (Mr. Storm) Swell.

THE PRESIDENT: Which side of the island were you on?

Q (Mr. Storm) The south side.

THE PRESIDENT: That is the best side. Swimming?

Q (Mr. Storm) Good. I did not go fishing.

THE PRESIDENT: Otherwise occupied?

Q (Mr. Storm) I got a few Planter's Punches.

THE PRESIDENT: I think we ought to make that sometime.

Q (Mr. Storm) I think we ought to do it, too.

THE PRESIDENT: It is pretty much like Puerto Rico, although the city is not as goodlooking as San Juan. I haven't been there for years. I was there about thirty-two years ago, all over the island.

Q (Mr. Storm) That is the first time I have been there since 1918. I went in on a destroyer, the LITCHFIELD.

MR. DONALDSON: All in.

THE PRESIDENT: I think the only news is that in the front row, our next trip will be to Jamaica. Fred recommends it highly.

Q (Mr. Storm) Ready to start anytime, Mr. President.

Q Any comment on the Supreme Court decision, on the Coal Act?

THE PRESIDENT: I would not say there is any formal comment. I think you all know the purpose behind the Coal Act. We had a very difficult situation in a major industry and both the employers and the miners came to an agreement as to the general method of improving the industry as a whole from the point of view of both the owners of the mines and the people who work in the mines, and an honest effort was made on the part of about 85 per cent of the owners and nearly all of the miners to get legislation which would carry this fine objective into effect, and that particular legislation has apparently not succeeded.

The answer is that we have to keep on trying to reach the objectives. As to the decision, it is, I think, probably going to be of very great interest to the people all over the country, all three opinions. It is informative and of educational value and shows, of course, that there remains a division, a difference of current interpretation among various parts of the Federal judiciary. I think that is all that needs to be said.

Q Will you try to reach this objective by this session of Congress?

THE PRESIDENT: I said that is all there was to be said.

Q Any comment on the District Board of Appeals opinion?

THE PRESIDENT: No; I have not read that yet. I do not believe there will be. There are, of course, so many of these lower court decisions. I would be kept too busy if I started to talk about them all.

Q Does the lower court decision stump anything you are doing? Does it make any difference in the Administration --

THE PRESIDENT: (interposing) I think that particular decision only affects that one project.

Q It doesn't affect the Tugwell Towns?

THE PRESIDENT: Not that I know of.

Q Does this Government expect Japan to adhere to the new Naval Treaty?

THE PRESIDENT: Well, that is too much of an "if" question. I do not know.

Q Mr. President, has Dr. Morgan resigned yet?

THE PRESIDENT: Has what?

Q Has Dr. Morgan resigned yet?

THE PRESIDENT: That is a silly question.

Q Have you any comment on the Chinese silver agreement?

THE PRESIDENT: Yes. I think the accomplishment there has been a very, very fine illustration of what can be done by people getting together and sitting around a table and trying to work things out in a peaceful way to help each other.

This agreement, I think, is going to help China to put into effect a national currency system which, from all that we can gather, is sound and will do a great deal to stabilize their own internal currency problems.

Of course, from our own point of view, it is always a gain to us to have the currency of a great nation, like China, placed on a more stable basis. It means that their purchasing power and selling power both will, through stabilization, increase trade both ways. Besides which they tell us that it is going to help them internally, in their internal domestic trade relations.

The conferences have been very delightful on both sides. I have had the pleasure of meeting the Chinese members over here and I think they are leaving on Thursday with mutual satisfaction on both sides. They told me that the reception of the news of the statement given out in Nanking has been very favorable.

Q Mr. President, are there likely to be any changes in the deficiency relief appropriation provisions as a result of this circuit court decision?

THE PRESIDENT: No, I do not think so. I have not heard anything about it.

Q Have you agreed to withdraw the Ambassador, Caffery, from Cuba?

THE PRESIDENT: That is another one -- what will I call it? -- newspaper report. I called it a silly question before but I should not have said that. It is a newspaper report. I have heard absolutely nothing about it, one way or the other, except what I read in somebody's paper.

Q Do you care to discuss the tax situation on the Hill?

THE PRESIDENT: I have not heard a word about it the last three days. What are they doing today?

Q They are going to vote tomorrow on the substitute bill.

Q That beautiful basket of flowers (on the President's desk), is that some special event today?

THE PRESIDENT: It was presented to me by the employees of the mail equipment shops of the Post Office Department in appreciation of my approval of Public Bill No. 575 on the seventh of May. It is a lovely thing.

Q What did the bill provide? (Laughter)

THE PRESIDENT: Now, really, Fred (Storm). Can't you see from this that it must have helped the employees of the mail equipment office?

Q Haven't you read the bill, Mr. President?

THE PRESIDENT: Don't ask me details.

Q Have you seen the compromise Ship Subsidy Bill that has been drafted?

THE PRESIDENT: Not that I heard of. I have not heard a peep on that for over a week.

Q How about the Housing Bill?

THE PRESIDENT: I don't know. They are approaching the time on that. I think we are very nearly together on that.

Q There is some plan under way to have the R.F.C. take over some of the

P.W.A. bonds they are holding for the municipalities?

THE PRESIDENT: Only the usual sales going on every week.

Q No expansion?

THE PRESIDENT: No, but going along in a perfectly normal way. The market will take only so many a week. They have got rid of about half and have some to go. Of course, in a pinch, under the law, the R.F.C. can defer actual sale of the bonds to the public. They can buy them from the P.W.A. themselves and sell them later. In other words, they can establish an immediate credit before selling the bonds to the public.

Q Anything like that under consideration?

THE PRESIDENT: No. If any large number of projects should come along requiring more funds, we probably will do it.

Q Have you discussed with people on the Hill the resolution extending the term of Coordinator Eastman?

THE PRESIDENT: No. I can tell you the position on that is perfectly clear. I have spoken to the two House and Senate Chairmen and told them there are certain tasks which the Coordinator's Office has been carrying on, which are not complete, and, in my judgment, those tasks, those duties assigned to that office not being complete, they should be carried through to completion. So that is, rather distinctly, a matter for the Congress to determine as to the machinery for carrying them through to completion. I think we want to go ahead with a lot of the work which has been undertaken and not finished. As to the method, it is up to them.

Q Can the Congress complete your program in time to adjourn before the time of the two conventions?

THE PRESIDENT: I do not know who asked that but I should say you are on the wrong end of the Avenue.

Q I was asking about your program?

THE PRESIDENT: You know, I very carefully said only a couple of months ago that there are really only two bills that I have called "must" bills. I have adopted your term of previous years. One was money for relief to carry us over as far as possible next year, and the other is some kind of a tax bill which will reimburse the Government and bring in revenues in replacement of the taxes outlawed. Those were the only two I stressed. There are a lot of other bills which it would be nice if they went through, eight or ten or fifteen of them, but they are not "must" legislation.

Q Mrs. Roosevelt told her young ladies today that you would probably take a trip to Campobello?

THE PRESIDENT: No. Afterwards, some time in the summer. We have July and August, when the weather on the coast of Maine is perfectly fine. If I can get off, I want a little sailing.

Q Any progress being made with respect to the member of the Federal Reserve Board?

THE PRESIDENT: I don't think there will be. They are getting along pretty well without the seventh wheel for a while. I don't think I will fill that place during this session of the Congress.

Q There is a Federal Judgeship vacant in New York. Any chance of an appointment to that?

THE PRESIDENT: I hope so. Maybe there will be some more.

Q I have heard rumors about that, too.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #297,
Executive Offices of the White House,
May 22, 1936, 10.55 A.M.

Good morning, Mr. President.

THE PRESIDENT: Good morning, Fred (Mr. Storm); how are you?

Q (Mr. Storm) Big stuff, Mr. President?

THE PRESIDENT: No. Too much of a boost for a paper.

Q Did you do a little editing?

THE PRESIDENT: No, because the whole story is all around it.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news. I am going off at midnight tonight and coming back Monday evening, arriving here Tuesday morning.

Q Could you tell us anything about your Texas-Arkansas trip?

THE PRESIDENT: Except that I hope, if Congress adjourns by the sixth of June, to leave on the eighth of June, and if Congress does not adjourn by the sixth of June and decides to take a three-day recess over the week of the eighth, I think I could go to Texas that week, while they are doing their three-day recess, so it looks fairly certain we will start on the eighth of June for Texas.

Q Do you go to San Antonio, Dallas and Houston?

THE PRESIDENT: I don't know. I think there are certain distances and times.

Q Would that include a stop at the Arkansas Centennial?

THE PRESIDENT: Yes. In other words, substantially the same schedule as we had planned the previous week -- Arkansas on the tenth, Texas on the eleventh, and the twelfth is the date for Dallas and Fort Worth. I would spend the night of the twelfth with my boy, Elliott, at Fort Worth and leave on Saturday, the thirteenth, for Vincennes and be in Vincennes (Indiana) on Sunday the fourteenth. I would get back here the morning of Monday the fifteenth.

Q You are not going to Canada?

THE PRESIDENT: No. Obviously, I cannot if I have to be back here on Monday the fifteenth.

Q Will you go later?

THE PRESIDENT: I hope so, later.

Q Mr. President, I saw Ed Flynn go out a little while ago. Can you tell us anything of your visit with him this morning?

THE PRESIDENT: Just chatted.

Q He expressed the belief that the convention in September in New York State would nominate Governor Lehman in spite of the fact that the Governor said he would not run. Have you any comment to add to that?

THE PRESIDENT: Not on that, but I think I can re-express what I told Steve (Mr. Early) to tell you people a couple of days ago, that I personally hoped very much that Governor Lehman would reconsider because the State needs him.

Q What do you think of the new Guffey Coal Bill?

THE PRESIDENT: I have not read it and I don't know.

Q Would you care to make any comment on the tax plan under consideration by the Senate Finance Committee?

THE PRESIDENT: I have not read that except what I read in the papers this morning.

Q Any chance of the Administration letting the District (of Columbia) down without any appropriation on account of this dispute between the conferees?

THE PRESIDENT: No. Of course it presents a difficult problem. We have to have money to carry on the District Government after the first of July, and the suggestion that a bill can fail completely and that I can continue to run the District Government out of relief funds just does not go. The wording of the Relief Bill certainly does not contemplate running a very large city government of about 600,000 people. I don't think it would even get by the Comptroller (General).

Q It is natural to assume you still stand on your answer that you gave some weeks ago when you said that you favored that contribution of $5,700,000., inasmuch as it is $5,000,000. in the Budget Report?

THE PRESIDENT: I haven't made any change in the Budget Report.

Q Have you received any request for a further stay in the execution of that British subject?

THE PRESIDENT: I have not heard anything about it.

MR. McINTYRE: We sent it to the Attorney General last night. We have nothing from the British Embassy.

Q I did not understand before; is the Canadian trip off?

THE PRESIDENT: It is off for the present. It has to be because I have to be back here on the fifteenth.

Q Have you given any thought to the new Comptroller General?

THE PRESIDENT: Not yet and I won't for some time.

Q How about the Federal Reserve Board vacancies?

THE PRESIDENT: No.

Q Anything on Morrison's resignation?

THE PRESIDENT: Not yet.

Q There has been some suggestion that the increase in the tariff on the imports of Japanese cotton runs somewhat counter to the policy of lowering tariff barriers.

THE PRESIDENT: I don't think it has anything to do with it. They are two totally different subjects. The possibility of lowering tariff barriers by agreement and without substantially hurting any important American industry remains substantially what it was. In this case we have a situation where an important American industry was being hurt in one branch of that industry. We tried to reach an agreement, which was the obvious thing to do first, a gentlemen's agreement to limit the exports to this country in that particular line of goods. We did not get the agreement so we took the only other step, which was to act on the report of the Tariff Commission.

Q If I may be permitted to return to that District problem, is there any likelihood you may use your influence to straighten out matters up there?

THE PRESIDENT: Russell (Mr. Young), it has not come to me yet. Whether it will, we do not know. We have not had a peep down here.

Q Senator Thomas hasn't talked to you about that?

THE PRESIDENT: No.

Q Mr. President, there was a report this morning that Dr. Townsend had an engagement with you today?

THE PRESIDENT: Steve? Mac?

MR. McINTYRE: He is not on the list --

THE PRESIDENT: (interposing and continuing) Charlie(Michelson)? Fred Botts? No, they all plead complete ignorance. (Laughter)

Q Was the action taken in respect of cotton goods mandatory on you under the Smoot-Hawley Act?

THE PRESIDENT: No.

(Reverting to the previous question) No, don't have it here (on the appointment list). If he does want to see me, I will be very glad to see him, but so far as I know there hasn't been a suggestion.

Q Have you looked at the Flood Bill passed by the Senate?

THE PRESIDENT: No, I did not even know it had passed.

Q You didn't?

THE PRESIDENT: No. (Laughter)

Q This being Maritime Day, will you comment on the so-called Ship Subsidy Bill?

THE PRESIDENT: Has that passed?

Q No.

THE PRESIDENT: I am in the same position. I hope we will get good ship subsidy legislation but I am not taking part in the actual drafting of specific bills.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #298,
Executive Offices of the White House,
May 26, 1936, 4.00 P.M.

THE PRESIDENT: I do not think there is a bit of news. I think you know it all.

Q There is a story out that a man named Reynolds is going to succeed Mr. McCarl.

THE PRESIDENT: Reynolds? -- Senator McReynolds? (Laughter) That is a new one on me.

Q Also some talk, Mr. President, that Morris Tremaine is going to succeed him?

THE PRESIDENT: No? Is he your candidate, Fred?

Q (Mr. Storm) No, sir. (Laughter)

THE PRESIDENT: I have not done anything about it and I am not going to do anything about it for a long time.

Q Wasn't there a Pennsylvanian mentioned?

THE PRESIDENT: Pinchot? (Laughter)

Q No.

THE PRESIDENT: I will try again. (Laughter)

Q Have you any ideas on the liquidation of Mr. Eastman, the Coordinator?

THE PRESIDENT: Liquidate him? (Laughter)

Q Yes, sir.

THE PRESIDENT: No. I have said all along that I think the work of this Coordinator business should go on. They haven't finished by any means. I told that to the Senatorial chairman and the House chairmen, that they have done some very valuable work and the work is not finished. It is entirely up to the Committees to decide.

Q Mr. President, there is an investigation of railroad bankruptcies working in cooperation with Mr. Eastman -- the Senate Interstate Commerce [Committee?] Commission. They have a request in for funds and apparently are going to be closed out unless they get those funds. The Interstate Commerce Commission has asked for $100,000. to finish that investigation.

THE PRESIDENT: That really isn't my business except that in the very beginning I felt it would be a wise thing to have an investigation made so we would have more data on the problem of railroad bankruptcies. I properly could not comment on what they should get. Also they have not finished their work. I do know that.

Q Would you care to tell us about your talk with Mr. Victor Ridder today?

THE PRESIDENT: I will tell you the honest truth, we spoke about an individual and friend of his that he wanted to see if I could do something for him. It was purely a personal matter.

Q One of those is --

THE PRESIDENT: (interposing) No.

Q Any discussion of a successor?

THE PRESIDENT: No.

Q Your visit with Ambassador Daniels -- any news in connection with that?

THE PRESIDENT: No. We talked about all sorts of things. He told me one very interesting piece of news which I cannot tell you. Maybe you can get it from him or the State Department. It is a piece of history that happened down in Mexico very lately. I cannot even give you a hint.

Q Did you discuss with Secretary Hull Leo Sack's comment on the Governor of Maryland?

THE PRESIDENT: You mean the Costa Rica thing? I read it in the paper. I can talk to you off the record on that. It is something that is well worth remembering and it is the sort of thing I can talk to you off the record about.

You know, it is a curious and interesting fact, one that you all know of, that when a Britisher or a Frenchman or a German or an Italian comes to this country, even if they are not in agreement with the existing party in control of their own country, they never run down their own country. That is a very interesting thing about a foreigner. You take a conservative Englishman, when he comes to this country, "Oh, yes; we are getting along all right. I don't agree with the party in power but we are working this thing through all right." And you get the same thing from the Frenchman.

You who have been abroad know the other side of the picture, about Americans of various kinds, the more important American. He talks and he is nearly always running down his own country. It is an American habit we have.

So, on this particular episode of Governor Nice', it is carrying on a normal American habit of going to foreign parts and telling what a rotten place the United States is. (Laughter)

MR. EARLY: The Governor said he had been misquoted.

THE PRESIDENT: The Governor said he had been misquoted. However, I am talking in general terms and off the record because it is one of those American characteristics that will probably take a good many generations to get over. I suppose we are not old enough to have collected the amount of patriotism that sticks up for your own country in foreign lands.

Q (Mr. Fred Essary) Having discussed my Governor for a moment, would you mind discussing yours? Will you tell us, for guidance or any other purpose, whether Governor Lehman will be a candidate for a third term?

THE PRESIDENT: I am sorry that a few people got off on a limb and said that I would do a certain thing that I have no intention of doing. I hope very much -- and this is just reiteration -- that Governor Lehman will reconsider running when the time comes. And, for the same reason I gave before, that he has been a good Governor of the State of New York.

Q Did you discuss with the Attorney General anything concerning this Black Legion affair in Detroit?

THE PRESIDENT: No, I have not talked to him.

Q Can you comment on that at all?

THE PRESIDENT: I cannot because all I have seen is the headlines.

Q Is it true that your trip to Texas is designed to steal the show from the Republican National Convention? (Laughter)

THE PRESIDENT: (laughing) No. I said in the very beginning that it is partly a question of climate -- I cannot say that out loud -- and possibly my hope of going off with the boys a little bit later on for a cruise off the coast of Maine, and if I could not get away by the eighth of June, I would not be able to go away at all and I would have to go to Texas a little later on in the fall. And I did not think, two weeks ago, that I could get away either the first week in June or the second week in June. Things have got to the point on the Hill where they will adjourn by the end of June or get away for a recess.

Q I wanted to settle that question permanently. (Laughter)

THE PRESIDENT: And also, just another thought about a limb on the tree: I am going to make speeches on the trip, a speech at the Arkansas Centennial and, probably -- I am going to Arkansas because they are having a Centennial -- and I am probably going to speak about the early history of Arkansas. And when I get to Texas, I will go to the battlefield at San Jacinto and go to the Alamo and lay a wreath and then to Dallas for the main Centennial, and I will probably make a speech in Dallas on the history of Texas, and then up to Vincennes, where they are dedicating a Federal monument up there, and I will probably make a speech on the Battle of Vincennes and William Henry Harrison and a few people who are of some great importance in our history, and then probably I will go back to Washington. So, do not get too far out on the limb about this being a political campaign trip. I might doublecross you.

Q Do you plan to make any speech in Kentucky?

THE PRESIDENT: That is possible, either on the way down or back. That is the thing we tried to do last year but couldn't work it in. It is an overdue visit.

Q Where would you go in Kentucky?

THE PRESIDENT: There are three or four different historical places.

Q The monument at Vincennes is to George Rogers Clark. I think you mentioned him too.

THE PRESIDENT: I think also William Henry Harrison's house is there, too. I think so.

Q Senator Tydings has submitted a resolution to create a commission to study the future status of Puerto Rico?

THE PRESIDENT: Not a thing but what I have read in the headlines. I learned about it first in the Washington Post.

Q Have you any preference whether the Federal Alcohol Administration should be in the Treasury Department or a separate administration?

THE PRESIDENT: I said right along on that that I think it was probably better to have it a separate organization. I do not think it makes a tremendous lot of difference but, on the other hand, I think it is a matter that might be kept as non-partisan as possible and kept out of the ordinary run of administrative things. If a separate administration is justified for anything, it would be in that case.

Q A three-man board?

THE PRESIDENT: Yes.

Q There is a report that you have been studying a new Merchant Marine Bill over the week end. Can you comment on that?

THE PRESIDENT: I have not even looked at it.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #299,
Executive Offices of the White House,
May 29, 1936, 10.55 A.M.

Q Good morning, Mr. President.

Q Your letter was a fine letter and not too academic.

THE PRESIDENT: I am glad of that, especially with you, Fred (Mr. Storm).

Q (Mr. Storm) My language was not academic. I can only be a student in one school at a time, Mr. President.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news at all. I am going to the exercises at Arlington tomorrow at 1.00 o'clock and then go over to the Naval Academy, get aboard the POTOMAC and see the Water Pageant in the evening, and drop down the Bay, and go up the Potomac and get back Sunday evening as usual.

Q There is something in the paper about saying a few words at Arlington?

THE PRESIDENT: No.

Q What time do you leave for Annapolis?

THE PRESIDENT: I think it ends at 2.00 and I will get away at half past 2.00.

Q Do you expect to take part in the June Week at Annapolis?

THE PRESIDENT: I do not think I will be able to go over.

Q Did you read Charlie Michelson's ad (the story about Mr. Michelson) in the Saturday Evening Post?

THE PRESIDENT: No; did you, really?

MR. MICHELSON: Yes, I thought some of the campaign funds might be spent that way.

Q Mr. President, --

THE PRESIDENT: (interposing) Did he sell anything?

Q It was a very good ad. He could get a job now, any time he wants one.

THE PRESIDENT: He won't be looking for any other job for a while; it is all right. We got him hooked.

Q Since I last saw you, sir, about the District Appropriation Bill being tied up, have you given it any thought?

THE PRESIDENT: No, except what I have seen in the paper.

Q How about appointing an impartial committee to study it? Does that sound good to you?

THE PRESIDENT: You remember two years ago I started the Treasury looking into the tax valuation in the District, and they sent a report which, as I recall it, I sent to the District Committee in both Houses, and that is the last I ever heard of it. So, if they want a separate committee to study it again, it is all right.

Q Do you plan to see the Finance Committee members of the Senate again?

THE PRESIDENT: I haven't heard a word.

Q There is a report that this country has indicated its willingness to reopen the British debt question?

THE PRESIDENT: I have not heard of that either.

Q Would you be willing to continue the District appropriations rather than have them die?

THE PRESIDENT: I cannot see how they can die.

Q That is an old stunt up there. Would it be definitely satisfactory, as far as you know?

THE PRESIDENT: It is not satisfactory as an appropriation bill but it is better than no appropriation bill at all.

Q Have you selected a successor to General McCarl?

THE PRESIDENT: Nothing on that.

Q Mr. President, any comment on the appointment of the Commissioner of Reclamation?

THE PRESIDENT: No, nothing on that. No appointments in sight.

Q Did you read Senator Borah's New Deal speech last night?

THE PRESIDENT: I did not. I started to read it this morning and I haven't gotten through yet.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #300,
Executive Offices of the White House,
June 2, 1936, 4.10 P.M.

Q Mr. President, do you see any way in which the Passamaquoddy Project can be continued?

THE PRESIDENT: You will have to ask them on the Hill.

Q In view of the Supreme Court's series of opinions about the New Deal objectives, do you see any way in which those objectives can be reached within the existing framework of the Constitution?

THE PRESIDENT: I think I will have to reframe your question: Have you any comment on the Supreme Court decision?

Q Comment on this decision or on the series of them?

THE PRESIDENT: On this particular decision the only thing I can say is that it will be and is of very great interest to practically everybody in the United States. They should read all three decisions, the decision of Justice Butler, the decision of the Chief Justice, and the decision of Justice Stone, because it is the combination of the three that seems to indicate that at the present time a majority of the Court have made a fact clear. I am, of course, interested in that fact because when I was Governor of New York we did discuss and, just after I left, the Legislature passed this minimum wage law.

It seems to be fairly clear, as a result of this decision and former decisions, using this question of minimum wage as an example, that the "no-man's-land" where no government can function is being more clearly defined. A state cannot do it and the Federal Government cannot do it. I think, from the layman's point of view, that is the easiest way of putting it and about all we can say on it.

Q How can you meet that situation?

THE PRESIDENT: I think that is about all there is to say on it. (Laughter)

Q I think there are dangers in the existence of that "no-man's-land."

THE PRESIDENT: I think that is all there is to say about it.

Q Mr. President, there is a report that you will meet the President of Mexico at the border of Texas during your visit down there?

THE PRESIDENT: No, the trip is all set and I don't think I go nearer the border than San Antonio.

Q Mr. President, is any thought being given to lifting the Arms Embargo against Italy and what was Ethiopia?

THE PRESIDENT: I think you will have to ask the State Department about that. It is a difficult problem.

Q Is there any comment you can make on the report that Morris Tremaine is going to be appointed Comptroller General in place of McCarl?

THE PRESIDENT: Neither one. I think he is one of thirty or forty names. I haven't done anything about the Comptrollership -- I say this about twice a week -- and I'm not going to for some time.

Q Have you arrived at a decision as to whether that office can be filled without the Comptroller -- as to whether the Assistant Comptroller can be Acting Comptroller?

THE PRESIDENT: I haven't looked that up.

Q They say down there that it can be done; at least, the Assistant Comptroller says so. (Laughter)

THE PRESIDENT: Steve (Mr. Early), look that up and see what happens.

MR. EARLY: Yes, sir.

Q Do you expect any new developments on the debt situation this month?

THE PRESIDENT: I haven't heard of any.

Q I have to ask the Republicans what they think of nominating a Democrat for Vice President. What do you think about that?

THE PRESIDENT: Truly, I should say that that was, as C. F. Murphy would have said, that is up to the Convention.

Q Mr. President, have you an Assistant Secretary of the Navy for us yet?

THE PRESIDENT: No appointments in mind at the present time.

Q That includes the Federal Reserve Board?

THE PRESIDENT: Same thing.

Q Mr. President, in your letter on sugar regulation you recommend graduated payments and suggest that that be studied from the standpoint of a soil conservation program. Can that be put into effect without additional legislation?

THE PRESIDENT: I don't believe it can, but I think it is something that is well worth studying. You see, we have put into effect legislation based on the theory, which is probably a perfectly valid theory, that certain advantages come from size. Of course, that is perfectly obvious. If you write a column for a paper, you won't make nearly so much money out of it as if you can syndicate it. That is the easiest illustration I know. The more papers you get to carry your column, the more profitable it is to you. At the same time, your overhead constantly diminishes with the additional number of papers that you take on up to a certain point.

Now, we have recognized that theory with respect to corporations, in getting a graduated corporation tax of $12\frac{1}{2}$ per cent up to 15 per cent. So, in the same way, there isn't much doubt about it that what might be called "consolidated farming" on a large scale does save a certain amount of overhead in comparison with the smaller farmer. On a farm of 1,000 acres, the proportionate overhead is nothing like ten times as great as with a farm of 100 acres. I see no reason why the benefits paid for soil erosion compliance should not be graduated in accordance with the size of the operation.

Q Mr. President, have you any new light on adjournment prospects?

THE PRESIDENT: I have not heard today. I heard last night that they were making all kinds of bets.

Q What are the odds today?

THE PRESIDENT: Last night it was 50-50.

Q What will Chester Davis' new status be?

THE PRESIDENT: Oh, he is still Administrator.

Q Three A?

THE PRESIDENT: Yes.

Q There is a statement that he is going to go to Sears Roebuck.

THE PRESIDENT: I have not heard anything about it. I learned it first from the papers this morning.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #301,
Executive Offices of the White House,
June 16, 1936, 4.15 P.M.

THE PRESIDENT: Recovered?

Q Yes, sir; a good night's sleep fixed me up.

THE PRESIDENT: The best thing in the world for people's figures are trips to Texas and Arkansas this time of the year.

Q How much weight did you lose?

THE PRESIDENT: About five pounds. You look thinner yourself. As for Fred (Mr. Storm), he seems to look almost the way he did in the Navy.

Q (Mr. Storm) I took off a few pounds, I think.

THE PRESIDENT: You bet you did.

MR. DONALDSON: All in.

THE PRESIDENT: All in and all quiet. No news.

Q Mr. President, have you any news on the capital gains tax? There has been a suggestion that you might desire that report.

THE PRESIDENT: I don't know. I have had so many suggestions.

Q Wall Street rumor?

THE PRESIDENT: I don't know what is happening this afternoon.

Q Do you plan to see the tax committee at any time tonight or today?

THE PRESIDENT: No, not unless they want to come down. I have no plans at all.

Q Sir, what do you think of the Republican platform?

THE PRESIDENT: I don't think there is any news on that.

Q In it, did you say?

THE PRESIDENT: On it.

Q Mr. President, do you plan to remain here through this week and next week, now?

THE PRESIDENT: Yes, I think so. Yes, I expect to be here probably until a week from Saturday.

Q Have you your campaign plans mapped out?

THE PRESIDENT: No; haven't thought of it.

Q When will be your first trip?

THE PRESIDENT: Somewhere around the middle of July. If I can't get off then maybe I will make it a little later.

Q How about Hyde Park?

THE PRESIDENT: I may go up to Hyde Park after the Convention and see my mother and then come back.

Q How is she coming along?

THE PRESIDENT: Fine; starting to walk around again.

Q When will you start your campaign? The middle of August?

THE PRESIDENT: Start what? (Laughter) Aren't you premature?

Q Just assuming you are considering it?

THE PRESIDENT: That's an "if" question. Now, the only plan I have got is two dates -- one is to go up to Philadelphia on the 27th and the other is the third and fourth of July to Skyline Drive and Monticello.

Q Where will you spend the night of the third?

THE PRESIDENT: Somewhere down there. I don't know exactly where yet. Charlottesville.

Q University?

THE PRESIDENT: I don't know where we are staying that night. Then probably I will get aboard the POTOMAC. I will be in Richmond the afternoon of the fourth.

Q Is there something in Richmond?

THE PRESIDENT: From Charlottesville to Richmond and get on the POTOMAC and call on some of my friends down the James River.

MR. EARLY: Historical trip.

THE PRESIDENT: What?

MR. EARLY: Historical trip.

THE PRESIDENT: Historical, Steve says.

Q So was the Southwestern trip. (Laughter)

Q Any intention to take part in anything in Richmond or see anything?

THE PRESIDENT: I don't think I will have time. I will get right on board and start down. I want to get to Westover and see Crane who was a classmate of mine and go to Upper Brandon and see Edward Byrd who was an old friend of mine and to Lower Brandon and see Bob Daniels.

Q Are you going to Carters Grove, near Yorktown?

THE PRESIDENT: Carters Grove? I think I will probably go on Sunday.

Q (Miss Black) What are you going to Philadelphia on the 27th for?

Q That's another "if" question. (Laughter)

THE PRESIDENT: She beat you to it. (Laughter)

Q We work together.

THE PRESIDENT: She has got me absolutely right on ice. Just for a good time. Just a nice little week-end party.

Q Yes, sir.

Q When will that put you back in Washington? Monday?

THE PRESIDENT: Monday morning.

Q Did this Government exchange views with a foreign government on possible monetary --

THE PRESIDENT: (interposing) Not that I know of. I haven't heard anything of it except, I suppose, the usual daily conversations that come through from our people on the other side.

Q Can you tell us anything on the foreign debt question now that the fifteenth has passed and all nations except one defaulted?

THE PRESIDENT: I think only what I have said before: We take off our hat to Finland.

MR. STORM: Thank you, Mr. President.

THE PRESIDENT: Very dull period. The news is all at the other end, on the Hill.

Q I wish they would wind up/there.

CONFIDENTIAL
Press Conference #302,
Executive Offices of the White House,
June 19, 1936, 10.40 A.M.

THE PRESIDENT: Good morning. You look prosperous this morning.

Q (Miss Black) I am paying my fare to Philadelphia.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news this morning at all. Can you think of any, Fred (Mr. Storm)?

Q Mr. President, now that Congress is about to go home, is there anything you have to say or would like to say on the program and what they have done, et cetera?

THE PRESIDENT: I don't think so. They haven't adjourned yet. I am always cautious.

Q Can you tell us anything about the report of your West Coast tour the middle of next month?

THE PRESIDENT: All I have heard of it is what I read in the newspapers.

Q Do you think you will get away tomorrow over the week end?

THE PRESIDENT: No, I think I will stay right here.

Q What is your opinion of the compromise on the District appropriation bill, that part of it which, I think, calls for about $50,000. to be spent on a survey under your supervision of the fiscal relations -- not the tax but the "fiscal relations"?

THE PRESIDENT: I have always felt there should be some kind of a fiscal survey. We had a survey a year ago but it wasn't very comprehensive. Does the bill provide for it?

Q Yes, sir.

Q You appoint these surveyors and they report back next January.

THE PRESIDENT: All right with me.

Q Do you anticipate a World Court plank in the Democratic platform?

THE PRESIDENT: I don't know anything about a platform.

Q Mr. President, for the purposes of this little local story that only a few are interested in, may we quote that "It is all right with me"?

THE PRESIDENT: I would not quote it. You can say it would be entirely satisfactory to the President and also say, probably better than merely a survey, that it would look into the tax problem. It should be all inclusive. It is a very good thing.

Q Is the compromise Tax Bill satisfactory?

THE PRESIDENT: I haven't honestly had a chance to read it through.

Q Do you have any plans for rescinding the Neutrality Act?

THE PRESIDENT: You will have to ask the State Department about that.

Q The State Department said to ask you. (Laughter)

THE PRESIDENT: I don't think we have got to the public statement phase, either one of us.

Q Do you consider the war as over?

THE PRESIDENT: Of course I cannot talk about the Ethiopian matter on the record, but I can give you a hint, off the record, just for your information.

Our own Neutrality Statute seems to be fairly clear that when the President finds that a state of war exists he shall -- I think it uses the word "shall" -- issue a proclamation.

If you will remember last October -- of course there was no declaration of war -- but almost as soon as there had been a battle and people were killed, regular troops in action on both sides, we found that a state of war existed. I think we were the first nation to do it.

Now, the converse of that would apply in the case of rescinding a neutrality proclamation and actually it becomes a question of fact, has the conflict stopped? Of course, Abyssinia is somewhat a difficult country about which to establish facts. It is a very large country. The Italian Army have occupied, or the Italian Administration has occupied, about two-thirds of the country but not the other third and it is a little difficult to establish all the facts.

We are working on the question of fact at the present time, and if at any time we believe that a state of war has ceased to exist, obviously a proclamation would issue.

MR. EARLY: Why not let them use that without attribution to you, instead of off the record?

THE PRESIDENT: I think it is all right. You can use that without attribution, without attributing it to me.

Q Have you any idea as to when the facts will be sufficiently well known?

THE PRESIDENT: I should think fairly soon. I don't think the next twenty-four hours or anything like that, but the reports are coming in every day.

Q Do you expect the Housing Bill to pass the House before adjournment?

THE PRESIDENT: I hope so.

MR. YOUNG: Thank you, Mr. President.

Q (Mr. Storm) Kind of tough luck.

THE PRESIDENT: What?

Q The Junior Varsity race. Yale won by five lengths.

THE PRESIDENT: I don't know why. They should have won by one length.

CONFIDENTIAL
Press Conference #303,
Executive Offices of the White House,
June 23, 1936, 4.10 P.M.

Q We have a slim crowd for you today, Mr. President.

Q Just the second-string men. (Laughter)

THE PRESIDENT: I would not stand for it for a minute.

MR. EARLY: I pointed out this morning that any news out of here might compete with Philadelphia.

Q We might get some local stuff here today.

THE PRESIDENT: For the benefit of all of you, there is no general news and, for the benefit of Russ (Young), there is no local news.

Q The term of one of the members of the Federal Home Loan Board expires in July and I think he has to be appointed before it is empty. Do you know anything about that?

THE PRESIDENT: I have not had a chance. I think I have a number of terms that expire between now and the first of August. I haven't even my list yet.

Q How about McCarl?

THE PRESIDENT: The same thing.

Q Harry Hopkins had a group in the other day. On their way out they did not talk very much. They said something about studying cooperative enterprises in Europe.

THE PRESIDENT: I was going to release that next week, but I might as well tell you that now. There are three men going abroad: Jacob Baker, Assistant Works Progress Administrator; Leland Olds, who is, I think, the Secretary of the New York State Power Authority, and Charles E. Stuart, of the engineering firm of Stuart, James and Cooke, of New York.

They are going abroad on the first of July to make a report on cooperative enterprises in certain parts of Europe. They are going to the British Isles, Sweden, Denmark and Finland and, I think, Norway, although it is not down here, Czechoslovakia, Switzerland and France. Also, possibly, Hungary.

They are to study the cooperative developments in Europe in relation to cooperative stores, housing, credit, insurance, banking, electrical distribution, cooperative producers, cooperative marketing and, in general, the coordinating of these different kinds of cooperatives with each other and with other forms of conducting the same services, also the relationship of these different governments to these cooperative agencies.

This is a thing you won't want to use but I think it is tremendously interesting and you might perhaps use it as background without attributing it to me. I got a good deal interested in the cooperative development in countries abroad, especially Sweden. A very interesting book came out a couple of months ago on "The Middle Way." I was tremendously interested in what they had done in Scandinavia along those lines. In Sweden, for example, you have a royal family and a socialist government and a capitalistic system, all working happily side by side. Of course, to be sure, it is a smaller country than ours, but they have conducted some very interesting and, so far, very successful experiments. They have these cooperative movements existing happily and successfully alongside of private industry and distribution of various kinds, both of them making money. I thought it was at least worthy of study from our point of view.

I think this Committee of three will only be gone about two months or two months and a half and it will necessarily be just a hasty survey -- a birdseye view of what has been accomplished over there. It is especially important because in this country, as you may know, there has been a substantial growth of the cooperative movement in various parts of the country among producers, such as farmers, and among middlemen and among consumers.

It is something that has nothing political in it, from a partisan point of view.

Q To whom do they report, to you?

THE PRESIDENT: Yes.

Q Do you see a way of putting unemployed to work? Is it a move toward putting unemployed to work through cooperatives?

THE PRESIDENT: Only indirectly. In Scandinavia the unemployment situation is not a serious one. They still have their unemployed but, since going on these general methods, the number of unemployed has decreased quite sharply.

Q Isn't the cooperative movement an answer to monopoly rather than unemployment, viewed in that light?

THE PRESIDENT: Yes.

Q Also succeeded in breaking the trusts over there, that is, as far as price-fixing is concerned?

THE PRESIDENT: That I don't know. Of course the match trust broke of its own weight.

Q Will you provide more funds for Coordinator Eastman to finish his reports?

THE PRESIDENT: I sent it over to Bell to see if there is any way in which we can provide funds to get those reports out. I understand it is a matter of two or three months of work and he certainly ought to get those reports because they are pretty valuable. Whether we can do it or not, I don't know; it depends on what Bell says.

Q What do you hear from Philadelphia?

THE PRESIDENT: Not a thing.

Q Any possibility of Governor Lehman running again?

THE PRESIDENT: I have not heard a word. I have been signing bills since Saturday and vetoing bills.

Q Have you signed the District Appropriation Bill?

THE PRESIDENT: Wait a minute, I got some fat ones and it may be here. (Examining basket) Here it is. Mr. Bell says, "I recommend approval of the above-mentioned Bill." Do not use this -- "However, at as early a date as may be convenient I wish to discuss with the President the unusual provision for a study of fiscal relations which the Bill contains."

So I think you can say that it will be signed this afternoon.

Q We hear romors from Philadelphia that you had a lot to do with the Convention Platform.

THE PRESIDENT: What? (Laughter)

Q Won't the Patman-Robinson law interfere with any carrying out of cooperative movements in the way of cooperative purchases of, say, fertilizer?

THE PRESIDENT: I don't see it that way. As I remember it, it says that the Federal Trade Commission shall take into consideration the proper discounts due to quantity purchasers. I think there is a very definite clause in there. It is just so long as everybody else gets a chance at the same price on the same quantity. I suggest you read it over. It takes more than -- I cannot use the words "Philadelphia lawyers" today very well -- but it takes even more than a Philadelphia lawyer to get that detailed language straightened out. That is my impression, but you read it over.

Q Mr. President, have you given any consideration to the Navy's contention that if the Walsh-Healy Government Contract Bill is not signed, you may not be able to build any new battleships?

THE PRESIDENT: Strictly between us, I haven't been through seven and a half years without knowing what the historic attitude of the Navy is toward that type of legislation. Right?

Q Yes, sir.

Q Have you considered any possibility of a Merchant Marine Board?

THE PRESIDENT: Not yet; I haven't given it a thought.

MR. STORM: Thank you, Mr. President.

THE PRESIDENT: Everything is all quiet.

CONFIDENTIAL
Press Conference #304,
Executive Offices of the White House,
June 26, 1936, 10.40 A.M.

Q Good morning.

THE PRESIDENT: Well, the faithful are still here. It is all right.

I think the only news is that the law factory is running three shifts. I think there are about a hundred bills left.

Q Have you had time to read the Platform yet?

THE PRESIDENT: I started to read it this morning. (Laughter)

Q Did it sound familiar, Mr. President? (Laughter)

THE PRESIDENT: I haven't finished it yet. (Laughter)

Q Were you satisfied with what you read?

THE PRESIDENT: Well, I think --

Q (interposing) Or with what you wrote? (Laughter)

THE PRESIDENT: I think we have to wait until Saturday night.

Q Have you signed the Walsh-Healy Contract Bill?

(The President turned to Mr. Early.)

MR. EARLY: No, sir; I don't think you have.

Q How about the Ship Subsidy Bill?

THE PRESIDENT: No, that has not come down.

Q Have you selected the commissioners for the Maritime Commission?

THE PRESIDENT: I haven't done anything and probably won't for a couple of weeks.

MR. EARLY: The bill hasn't been signed.

Q Anything to say about it?

THE PRESIDENT: No.

Q You spoke of having a hundred bills yet. Have you any idea of what number you signed in the last week or so?

THE PRESIDENT: I haven't the record yet. I haven't the veto record but we have fattened our veto batting average a lot.

Q Not enough.

Q Anything to say about the reports that the Postmaster General is going to resign next week?

THE PRESIDENT: (facetiously) Not until the Convention is over.

Q What do you hear from the goodwill political secretary in Philadelphia? (Referring to Mr. McIntyre)

THE PRESIDENT: I don't know. I tried to raise him this morning about 1.30 A.M. and he would not "resurrect." I don't know what has happened.

Q He wasn't in bed at that time.

THE PRESIDENT: I am quite sure of that. (Laughter)

MR. EARLY: Don't be too sure.

THE PRESIDENT: I had a great time last night. I talked to Bob Wagner to congratulate him about 1.20 our time and 2.20 their time. He was still up.

Q He made a good job of that Platform.

THE PRESIDENT: I think he read it beautifully.

Q The delegates seemed impressed, too. There wasn't a great deal of yelling.

THE PRESIDENT: No.

MR. EARLY: Somebody did discover that the Platform had wings.

THE PRESIDENT: Some people up there wondered how this communication was going on between the Platform Committee and the White House and they discovered the airplane.

Q Forgot all about the telephone?

THE PRESIDENT: Forgot all about the telephone. (Laughter)

There was no piece of paper that went between Washington and Philadelphia yesterday.

Q Have you figured out how long you will stay at Hyde Park?

THE PRESIDENT: Until Monday night.

Q Have you talked about filling the vacancy in the Chicago Circuit Court?

THE PRESIDENT: No, I haven't. It is something I ought to do but I haven't gotten around to it yet.

Q A local question, Mr. President --

THE PRESIDENT: (interposing) Is this last week's?

Q Hangover. Have you had time to give thought to the appointment of this Committee that is to study fiscal relations?

THE PRESIDENT: I talked to Bell about it and asked him to get the language on the thing and try to get a pretty complete report. I don't think he will be able to report until next week when I get back.

Q How about Uncle Fred?

THE PRESIDENT: What is the language?

Q Must not be a resident of Washington.

THE PRESIDENT: That is more discrimination.

Q Yes, sir.

Q Have you completed your acceptance speech?

THE PRESIDENT: On the acceptance speech, I have done -- last night for the first time I got to work on it and did one very, very rough draft; so rough that I didn't like it, being a peaceful man.

Q Do you plan to be in Washington in the fall -- for the campaign?

THE PRESIDENT: In other words, I am not going to Hawaii, or through the Canal, or to the Cocos Islands. That's off, certainly until after election. Oh, I will be here most of the time, on and off.

Q Getting back to your rough speech, have you made any progress since?

THE PRESIDENT: They are typewriting. I dictated last night.

Q Will it be short?

THE PRESIDENT: Of course lots of things start off short, and you know what happens.

Q Who is going to head up the W.P.A. Administration in New York?

THE PRESIDENT: What has happened?

Q Ridder is getting through June thirtieth.

THE PRESIDENT: I thought he was staying through July?

Q Last word is that he returns to his former position on June thirtieth.

THE PRESIDENT: Yes.

Everything is quiet. I think I will listen to good old John Mack this morning and then work on the speech.

Q He has got a good speech. (Laughter)

Q Were you listening in during the Al Smith demonstration?

THE PRESIDENT: No, I didn't get in until just the time they were starting the two-thirds rule. I heard Dave Lawrence.

Q Did you hear Walter?

THE PRESIDENT: When did he go on? Dave Lawrence, just between us girls, did an awfully good job. He scooped certain types of newspapers completely.

Q Only mistake he made was he didn't blame it on Hoover. (Laughter)

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #305,
Executive Offices of the White House,
June 30, 1936, 4.00 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Where are all the first-string people? (Laughter)

Q They are all rained out, sir!

THE PRESIDENT: Fred, we had a good play with the second-string people last week.

Q I'll bet you did!

THE PRESIDENT: I don't know as there is any particular news today. We have organized an Interdepartmental Drought Committee to coordinate the drought activities in various parts of the Nation -- Secretary Wallace, Director of the Budget Bell, Administrator of Resettlement Tugwell, and Mr. Williams, Works Progress. The drought, in spite of what we have had this afternoon, is awfully serious in three different places in the country. One is up in the northwestern region -- western Dakota, eastern Montana and eastern Wyoming -- so much so that it looks like pretty near a total failure of crops.

In eastern Oklahoma and western Arkansas is another bad situation developing; and in northern Tennessee and southern Kentucky another drought situation is developing. That is not as bad yet as the North Dakota one, but it is getting serious, so that this interdepartmental committee has to keep in close touch with the situation and do everything they can to relieve what looks like pretty serious distress for anywhere from fifty to a hundred thousand people.

Q Have you any idea, Mr. President, how much money you will originally need?

THE PRESIDENT: We cannot tell yet.

Q How much do you have available?

THE PRESIDENT: What?

Q How much do you have available?

THE PRESIDENT: Of course we have relief money in general available for it, and I think also we have funds in the Surplus Commodity Corporation that could be used, as it has been before, for purchasing livestock which otherwise would die, and processing them and using them for the needs of the state relief organizations rather than to let the cattle die in the fields.

Q Mr. President, turning from droughts to floods, will any work at all be done under the omnibus Flood Control Bill? Congress adjourned without making any appropriations.

THE PRESIDENT: There were no appropriations, and I think it is tomorrow I am having a conference with various agencies that are either directly or more remotely connected with the flood problem; first of all, Army engineers because, under the bill, they would do the work. But it is connected with soil erosion, reforestation in the upper regions, the National Resources Committee, reclamation in some areas -- I have forgotten, there may be one or two others coming in -- with the idea that on these various projects -- I have forgotten how many -- there are about 340 authorized -- maybe 600 -- a tremendous number -- when I read the bill I thought every creek in the United States had been included -- and the task between now and January is to make the necessary surveys from all of these points of view so as to determine on a given creek, for instance, whether straight engineering work, like canalizing the creek, is the best way of going about it, or the creation of reservoirs is the best way of going about it, or soil erosion, reforestation, or a combination of any two or three of them.

Those studies will be completed, I hope, between now and the first of January, so that when Congress does appropriate money they will be in possession of information as to which projects should be taken up first, and also whether any of the projects authorized should be eliminated or postponed.

Q That means, then, that there will be no actual work started this summer?

THE PRESIDENT: Can't without money. How can I?

Q The bill wasn't signed, with the result that Congress could not make an appropriation?

THE PRESIDENT: So Senator Copeland says.

Q That's different. I thought that was your statement. (Laughter)

Q What was authorized in that bill?

THE PRESIDENT: They authorized flood control work to a total of $330,000,000. They wouldn't have had to wait for the actual signing of the bill to appropriate the money. A little telephone message to the White House would have been all that was necessary.

Q In the new relief bill, about $125,000,000 has been earmarked for some sort of flood control; but that is not this sort of flood control?

THE PRESIDENT: No. But some of that may be used on some of these authorized projects; that is perfectly possible.

Q Back to droughts for a moment: I think there is a tendency for livestock to move to market quite fast during the early part of the drought; are you contemplating anything to support the price?

THE PRESIDENT: There has been no particular drop in the prices, and I don't think there will be, because if it looks like a dumping of this stock on the market we will probably take it off the market.

Q Has Breckenridge submitted his resignation?

THE PRESIDENT: As you know, he has been pretty sick, but he is coming through all right. It will probably take him a month or two to recuperate. He is going up to Nantucket for his summer home. I think as soon as he is able to get around he will be pretty active in the campaign.

Q In that connection, when can we expect a preliminary announcement on Mr. Phillips' appointment?

THE PRESIDENT: I don't know; no appointment has been made.

Q Did you ever act on Mr. Morrison's resignation?

THE PRESIDENT (turning to Mr. McIntyre): Have I? (Mr. McIntyre apparently shook his head.) Mac says I haven't; but I probably will almost immediately.

Q Were you asked about Mr. Farley?

THE PRESIDENT: I cannot tell you anything about it today.

Q When do you expect to see Mr. Farley?

THE PRESIDENT: Thursday.

Q What action do you have to take to make P.W.A. money available to Mr. Ickes?

THE PRESIDENT: I have to approve the project.

Q Do you not have to issue an Executive order of some sort?

THE PRESIDENT: I don't know whether it is an Executive order or an allotment; I think it is an allotment.

Q He thought so.

THE PRESIDENT: I don't know; ask Bell.

Q Have you signed the Walsh Labor Bill?

THE PRESIDENT: Yes, every bill has been signed or vetoed. The desk is completely clear. There are three or four waiting for memoranda to accompany the veto, but that is all.

Q How many were there before Congress adjourned?

THE PRESIDENT: I asked Rudolph to give me the list; I will try to have it by tomorrow. It is a pretty good list.

Q Are you going to make a speech at the dedication of the Salisbury bridge?

THE PRESIDENT: I may not go there yet. Mac was talking to the Mayor this morning, and I hope to go. If I go, I may talk for three or four minutes.

Q That is the 10th?

THE PRESIDENT: Saturday, the 11th.

Q You will be at Hyde Park until you start the trip?

THE PRESIDENT: I would be there only a couple of days.

Q Could you tell us whether at the end of your trip to Campobello you immediately start west?

THE PRESIDENT: No; I think you can say this, that it is possible but I cannot make it definite because I would not know whether I would have to come straight back here or not. I may go up to Quebec and pay that famous call on the Governor General, getting up there in the morning and spending the day with him and coming on down that night; but that is still not a definite date, because I may have to come back here.

Q Have you set the date for leaving Campobello?

THE PRESIDENT: The end of July.

Q You say you think you will come back to Washington?

THE PRESIDENT: I think so.

Q How about this rumored western trip?

THE PRESIDENT: I have no plan after the first of August. I may stop at Hyde Park. I have no plans beyond the first of August -- all kinds of offers but no takers.

Q Do you know where you will go to meet the schooner?

THE PRESIDENT: Somewhere eastward of Portland.

Q That would be Rockland.

THE PRESIDENT: There are lots of places to the eastward of Portland.

Q Is that on the 14th or 15th?

THE PRESIDENT: I don't know -- about the middle of July.

Q Can you tell us anything about the ship you are going on?

THE PRESIDENT: She is a schooner.

Q What is her name?

THE PRESIDENT: Sewanna.

Q That sounds like Susanna. Who owns her, Mr. President?

THE PRESIDENT: I don't know.

Q Anything further on your plans for your trip this week-end?

THE PRESIDENT: No; have you told them about that, Mac?

MR. McINTYRE: No, sir.

THE PRESIDENT: Leave Friday morning about 10; go down Skyline Drive, picnic on the way. I told them to try to bring a sandwich and a bottle of beer for Dean Young.

Q It will require more than a bottle of beer for him, Mr. President!

(Laughter)

THE PRESIDENT: Then the celebration on the Skyline Drive about [illegible] o'clock; motor down to Charlottesville in the evening; up to Monticello Saturday morning; stay there about half an hour, and then motor down to The Potomac on the James, and down the river next day; land at Jamestown, go to Williamsburg; take The Potomac again at Yorktown, and get back here Monday morning.

Q Do you contemplate stopping at Brandon on the way?

THE PRESIDENT: Only make one stop.

Q Brandon?

THE PRESIDENT: I don't know.

Q Is that old Josephus Daniels running that place?

THE PRESIDENT: No, that is Bob Daniels. He is a nephew or great nephew of old Senator Daniels of Virginia.

Q Mr. President, have you any comment on Governor Lehman's announcement?

THE PRESIDENT: I gave my comment this morning.